United Nations

United Nations Conference on
Trade and Development

Report of the Trade and Development Board

Thirteenth executive session and
forty-third session

General Assembly
Official Records • Fifty-first Session
Supplement No. 15 (A/51/15)

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INTRODUCTION

The thirteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 8 July 1996. The session consisted of one meeting - the 874th plenary meeting of the Board.

The main purpose of the thirteenth executive session was to enable the Board to follow up on the recommendations adopted by the United Nations Conference on Trade and Development at its ninth session, held at Midrand, South Africa, from 27 April to 11 May 1996, including the establishment of three new commissions and the approval of the provisional annotated agendas for the first sessions of the commissions. The Board also approved the provisional agenda for its forty-third (regular) session.

The report of the Trade and Development Board on its thirteenth executive session forms part one of the present report.

The forty-third session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 7 to 18 October 1996. In the course of the session, the Board held seven plenary meetings - the 875th to 881st meetings. At its ninth session, the United Nations Conference on Trade and Development had decided, in paragraph 107 (c) of its report entitled "A Partnership for Growth and Development" (A/51/308), that the regular session of the Board "will be convened in one part in autumn for approximately 10 working days".

The report was prepared by the Rapporteur under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report covers the action by the Board on the substantive items of its agenda and procedural, institutional, organizational and administrative matters. In connection with the action by the Board, attention is drawn to paragraph 56 of the Cartagena Commitment, adopted at the eighth session of the United Nations Conference on Trade and Development, which states that "greater use should be made of agreed conclusions, assessments or summings-up by presiding officers".

Summaries of the statements made in the course of the session on the various items of the agenda are contained in document TD/B/43/12 (Vol. II).

Part One

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS THIRTEENTH EXECUTIVE SESSION

Held at Geneva on 8 July 1996

I. FOLLOW-UP TO THE RECOMMENDATIONS ADOPTED BY THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT AT ITS NINTH SESSION

A. Establishment of the three Commissions decided upon by the Conference

1. At its 874th meeting, on 8 July 1996, the Trade and Development Board, acting in accordance with paragraphs 108 and 112 of the final document adopted by the United Nations Conference on Trade and Development at its ninth session (see A/51/308), established the following Commissions as subsidiary bodies of the Board:

Commission on Trade in Goods and Services, and Commodities

Commission on Investment, Technology and Related Financial Issues

Commission on Enterprise, Business Facilitation and Development

The final document also outlined, in paragraphs 109 to 111, the respective areas of work to be dealt with by the three Commissions.

B. Approval of the draft provisional agendas for the first sessions of the Commissions

2. The Board had before it a document (TD/B/EX(13)/L.2) entitled "Draft provisional agendas for the first sessions of the Commissions submitted by the President of the Board" which had been submitted as the result of informal consultations of the President conducted in preparation for the Board's thirteenth executive session.

1. Commission on Trade in Goods and Services, and Commodities (Commission 1)

3. The President stated that, in the informal consultations, an understanding had been reached that the Commission on Trade in Goods and Services, and Commodities would hold its first session in two parts, each part for a period of two and a half days. The split in the first session was to cater for a unique situation in 1996 and would not constitute a precedent for the work of the Commission. At the first part, in November 1996, the Commission would take up item 3 of its agenda, and at the resumed first session, in February 1997, it would take up item 4.

4. It had also been agreed that the UNCTAD secretariat would prepare an analytical paper on environmental aspects of trade for the second part of the first session of Commission 1, but that it would make the paper available also to the first part of the session in November. The paper should deal essentially with current environmental matters, particularly as they related to development, on the understanding that it would not be subject to discussion or comments during the first part of the session, but would serve for national preparations for the second part of the session, to be held early in 1997.

5. In connection with the work of Commission 1, the President recalled that an understanding had also been reached that an executive session of the Board would be convened in the first quarter of 1997 with a view to discussing issues

arising in the wake of the World Trade Organization (WTO) Ministerial Conference to be held in Singapore in December 1996.

6. The representative of Bulgaria recalled that, in paragraph 91 of the Midrand final document (see A/51/308), the Conference had confirmed the UNCTAD mandate in assisting the economies in transition to integrate fully into the world economy. He observed, however, that the annotations to the provisional agenda for Commission 1 did not reflect the consensus reached at the ninth session of the United Nations Conference on Trade and Development on that aspect. He therefore proposed that, in keeping with paragraph 91 of the Midrand document, a new sentence be inserted after the second sentence of the annotation to agenda item 3, as follows: "In this respect, the specific interests of the economies in transition should be taken into account."

7. The representatives of Belarus and the Russian Federation supported the Bulgarian proposal to bring the annotation into line with paragraph 91 of the Midrand final document. The representatives of Morocco, Egypt and Hungary, however, stated their preference for leaving the text as it stood, since it was the outcome of a lengthy consultation process.

8. The representative of France pointed out that, whereas the provisional agendas for Commissions 2 and 3 made appropriate reference to the least developed countries, annotations for Commission 1 made no such reference. In view of the cross-sectoral approach now being taken to work on the least developed countries, he felt that the omission in the annotations for Commission 1 should be rectified.

9. The President appealed to the Board to approve the annotated provisional agenda for Commission 1 without amendment, on the understanding that the secretariat would take fully into account the points raised by Bulgaria and France in executing the work on the substantive items.

10. Regarding the analytical paper to be prepared on the environmental aspects of trade, the representative of Egypt said that, if the paper were made available to Commission 1 at the first part of its session, in November, it would need to be updated for the resumed session in February 1997 in the light of the WTO Ministerial Conference. For his part, the representative of Argentina considered that the paper should deal with all the issues detailed in paragraph 91 (iv) of the Midrand final document, except for the item which was on the agenda of the WTO Committee on Trade and Environment, where an effort should be made to avoid superimposing UNCTAD work on the work of WTO.

Action by the Board

11. Having noted the above comments and understandings, the Trade and Development Board approved the draft provisional agenda and annotations for the first session of the Commission on Trade in Goods and Services, and Commodities (Commission 1), as set out in document TD/B/EX(13)/L.2 (see annex II.A).

2. Commission on Investment, Technology and Related Financial Issues (Commission 2)

12. The President recalled that agreement had been reached in the informal consultations on the draft provisional agenda for the first session of the Commission on Investment, Technology and Related Financial Issues on the understanding that the chairman of the experts' meeting which would prepare the

report for item 4 of the Commission's provisional agenda would be invited to attend the first session of the Commission in order to engage in a question-and-answer session with delegations. He also drew attention to the fact that the spokesman for the European Union had expressed concern that members of the Union might not be able to enter into an in-depth policy debate if their experts were not participating in the Commission.

Action by the Board

13. Having noted the above understandings, the Trade and Development Board approved the draft provisional agenda and annotations for the first session of the Commission on Investment, Technology and Related Financial Issues (Commission 2), as set out in document TD/B/EX(13)/L.2 (see annex II.B).

Related action in connection with the proposed new Intergovernmental Group of Experts on Competition Law and Policy

14. Having noted a brief statement by the President recalling that the Third United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, held at Geneva from 13 to 21 November 1995, had adopted a resolution in which, inter alia, it recommended that the General Assembly change the title of the Intergovernmental Group of Experts on Restrictive Business Practices to Intergovernmental Group of Experts on Competition Law and Policy, the Trade and Development Board endorsed the agreement reached in the informal consultations that the President of the Board should transmit, on behalf of the Board, a statement to United Nations Headquarters to the effect that the Board welcomed the outcome of the Third Review Conference.

15. The representative of Ireland, speaking on behalf of the European Union, said that steps must be taken to ensure that the resolution to be adopted by the General Assembly on the matter was in strict conformity with the institutional arrangements agreed upon by the United Nations Conference on Trade and Development at its ninth session.

3. Commission on Enterprise, Business Facilitation and Development (Commission 3)

16. The President recalled that, in the informal consultations, delegations commenting on the annotations on items 3 and 4 of the provisional agenda of the Commission on Enterprise, Business Facilitation and Development had observed that the annotations should be more precisely focused in future. They also felt that, when those items were taken up by the Commission, a review should be undertaken of the work to be done in the future and that the documentation prepared for those two items should also include the proposed future work programme of the Commission.

Action by the Board

17. Having noted the above understandings, the Trade and Development Board approved the draft provisional agenda and annotations for the first session of the Commission on Enterprise, Business Facilitation and Development (Commission 3), as set out in document TD/B/EX(13)/L.2 (see annex II.C).

II. PROVISIONAL AGENDA FOR THE FORTY-THIRD SESSION OF THE TRADE AND DEVELOPMENT BOARD

1. For its consideration of agenda item 4, the Board had before it document TD/B/EX(13)/L.1, entitled "Provisional agenda for the forty-third session of the Trade and Development Board: draft provisional agenda submitted by the President of the Board".

2. Introducing the item, the President recalled the understandings that had been reached in his informal consultations in connection with some of the items on the provisional agenda, as follows:

(a) With regard to item 2 (Segment for high-level participation; substantive policy item: foreign direct investment and development in a globalizing world economy), the one-day, informal, high-level segment would take place on 10 October 1996. At the beginning of the day, a panel, consisting of ministers and corporate executives, would be held to introduce the topic. The segment could focus on the following three topics:

(1) Trends in foreign direct investment, in particular to least developed countries, their determinants and impediments, and policy implications for the promotion of foreign direct investment;

(2) Interrelationships between investment, trade and technology, and implications for development;

(3) Examination and review of existing agreements, identification and analysis of issues relevant to a possible multilateral framework on investment and implications for development.

At the end of the same day, a panel would take place consisting of heads of relevant intergovernmental bodies and their secretariats.

(b) With regard to item 5 (UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Special Initiative on Africa), since the mid-term review would be taking place in New York some time in September 1996, the secretariat would be requested to prepare a conference room paper giving an update on the outcome of the mid-term review.

(c) With regard to item 6 (Review of technical cooperation activities of UNCTAD), in addition to the review of technical cooperation activities undertaken in 1995, the Board was expected, under that item, to receive from the secretariat information on overall developments in UNCTAD technical cooperation, including cooperation with other organizations and trends in the mobilization of resources, as well as preliminary proposals to enable the Board to take action pursuant to section II.E of the final document of the ninth session of the United Nations Conference on Trade and Development (A/51/308), with particular reference to paragraph 96 thereof. It was also expected that, prior to the session of the Board in October, informal consultations of the Secretary-General of UNCTAD would be held on that aspect of the follow-up to the Midrand outcome.

(d) With regard to item 7 (b) (Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation), the secretariat would be requested to prepare an information compendium on United Nations system-wide organizations, with particular

reference to those based in Geneva, to ascertain how the participation of experts was financed in their meetings, particularly experts from developing countries. That information would be made available to delegations in advance of the forty-third session of the Board to enable informal consultations to be held in September to prepare the discussion of the Board on that item.

(e) With regard to item 8 (b) (Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its twenty-ninth session), it was proposed that reports of future sessions of that body be taken up at an executive session of the Board.

(f) With regard to item 10 (Other business), the secretariat was requested to include in the agenda annotations under that item a reference to the fact that delegations would wish to discuss at the forty-third session of the Board, the review of UNCTAD's publication policy (in line with para. 107 (a) of the Midrand final document) and the coordination and cooperation of UNCTAD with other organizations and institutions (para. 99 of the Midrand final document). It was also understood that the secretariat would prepare documentation on those two issues and that, prior to the session of the Board, they would be included in the informal consultations of the Secretary-General of UNCTAD.

Action by the Board

3. Having taken note of the above understandings, the Trade and Development Board approved the draft provisional agenda for its forty-third session submitted by the President of the Board (TD/B/EX(13)/L.1) (see annex III).

III. OTHER BUSINESS

A. Report of the Working Party on the Medium-term Plan and the Programme Budget

1. The President recalled that the Working Party on the Medium-term Plan and the Programme Budget had held its twenty-seventh session from 17 to 19 June 1996 to review the proposed United Nations medium-term plan for the period 1998-2001. The report was before the Board in document TD/B/43/2-TD/B/WP/96, annexed to which was a decision and a Chairman's summary, together with the proposed amendments to the plan. Owing to the proximity of the review of the medium-term plan by the Committee for Programme and Coordination (CPC) in New York and the session of the Working Party in Geneva, the amendments to the plan had already been transmitted to CPC.

2. The representative of Mongolia, commenting on the fact that the UNCTAD programme of the United Nations medium-term plan for 1998-2001 envisaged that the work of the landlocked developing countries would come under subprogramme 9.4 (Services infrastructure for development and trade efficiency), proposed that landlocked countries' issues should be viewed in a more comprehensive economic context than was provided for in that subprogramme. He therefore requested that the necessary revision should be made to the text of programme 9 so that landlocked countries would be dealt with under subprogramme 9.5 (Least developed countries). That would be in line with the final document of UNCTAD IX, which laid down that "the responsible entity in the secretariat of UNCTAD for the least developed, landlocked and small island developing countries should be shaped, staffed and equipped to allow it to coordinate the sectoral work, monitor the implementation of the Paris Programme of Action and other relevant United Nations programmes of action and provide inputs for the Trade and Development Board" (see A/51/308, para. 113).

3. The representatives of Nepal and Uganda supported the proposal made by Mongolia.

4. The President observed that those concerns had already been made known to CPC and that the matter was now in the hands of the General Assembly.

Action by the Board

5. The Trade and Development Board took note of the report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-seventh session and of the statements made thereon.

B. Other issues with regard to the implementation of the recommendations of the ninth session of the United Nations Conference on Trade and Development

6. Referring to some other issues indicated in the secretariat's informal working paper of 10 June 1996 for action to be taken with regard to the implementation of the recommendations of the ninth session of the United Nations Conference on Trade and Development, the President said it was his understanding that the Board would not be in a position to discuss those matters at its present executive session. It was therefore proposed that those issues indicated in the secretariat paper be taken up in September 1996 in the

consultations of the President and the Bureau or in the consultations of the Secretary-General of UNCTAD, with a view to preparing the necessary decisions on them.

Action by the Board

7. The Trade and Development Board agreed to the above proposal by the President.

IV. CLOSING STATEMENTS

1. The spokesman for the Latin American and Caribbean Group (Cuba) said that the countries members of his Group wished to reaffirm their full support for the agreements adopted by consensus at the ninth session of the United Nations Conference on Trade and Development (UNCTAD IX), as set out in the Midrand Declaration and "A Partnership for Growth and Development" (A/51/308), which confirmed the political will of the international community to give fresh impetus to that important United Nations forum for development. The thirteenth executive session of the Board, including the preparatory consultations, had enabled delegations to take a series of decisions to set in motion the new institutional mechanisms and hence face up to the UNCTAD IX agreements. His Group welcomed the decision to hold a high-level segment on investment at the forty-third session of the Board and hoped that all member countries would make every effort to ensure the highest level of representation possible. That would promote a broad and in-depth debate that would give a clearer view of the implications and projections of foreign direct investment and show how to make sure that foreign direct investment contributed effectively to the development of the developing countries. He trusted that the secretariat would make suitable organizational arrangements for the high-level segment, including the convocation of participants as soon as possible.

2. One item on the agenda of the forty-third session of the Board to which the Latin American and Caribbean Group attached particular importance was the question of financing the participation of developing countries' experts in relevant UNCTAD meetings (item 7 (b)). Arrangements for meeting that demand could be delayed no longer, and it should be viewed as an effective measure for ensuring a fuller contribution by developing countries to the work of UNCTAD.

3. His Group fully endorsed the mandates granted to the three new Commissions. Regarding the Commission on Trade in Goods and Services, and Commodities (Commission 1), his Group considered that the trade and environment issues were well focused and would lead to good results. In that context, it would be necessary to deal in the near future with the structuring of the rules on services in relation to the ongoing work in the World Trade Organization (WTO). Another important issue in the future work of UNCTAD was that of competition policies, including consumer protection, which was cross-sectoral in nature and should therefore receive all the necessary institutional support.

4. For some time now, the Latin American and Caribbean Group had been emphasizing the great importance it attached to the technical assistance provided by the UNCTAD secretariat. It was imperative that that assistance should be universal in character and able to reach the countries that needed it, including the small and vulnerable economies of his own region. A relevant positive case had been the recent publication by the secretariat of a prototype model for the establishment of an export/import bank (UNCTAD/ECDC/256). That was a good example of the type of work which the countries of his Group expected from UNCTAD, for it promoted an exchange of experience and cooperation among the developing countries themselves.

5. The spokesman for the Asian Group (Nepal) said that the Group had taken part in the informal consultations in a spirit of accommodation and compromise and with a view to reaching a consensus. The Group had tabled some constructive proposals on the draft agenda items for the forty-third regular session of the Board and the first sessions of the Commissions, and he was glad that some of those proposals had now been included. In an effort to move forward, the Asian

Group had not pursued some of the other proposals, in particular the following two issues:

(a) First, the Asian Group had proposed "Finance for development" as the theme for the high-level segment of the Board, since it felt strongly that the whole issue of the resource gap for the development effort of the developing countries, especially the least developed countries - of which foreign direct investment was but a part - should be discussed by the high-level segment. However, the Group had decided to respect the views of the majority and to focus on foreign direct investment and development that year. But since the issue of finance for development was of critical importance to developing countries and remained relevant for UNCTAD, it should be discussed in an appropriate forum - the Board or the relevant Commission - in 1997. The Asian Group had noted with appreciation the positive response of many countries during the informal consultations regarding the imperativeness of a discussion on that issue within UNCTAD next year.

(b) Secondly, the Asian Group had felt that it would be necessary to convene the Commission on Trade in Goods and Services, and Commodities in 1996, as the Commission could contribute greatly to the WTO Ministerial Conference to be held in Singapore. Again, with a view to reaching a consensus, and on the clear understanding that that would not set a precedent, the Asian Group had agreed to hold the first session of the Commission in two parts. It had also agreed, despite some difficulty on the part of some of its members, to discuss proposed agenda item 3 at the first part of the session, in November 1996, and agenda item 4 at the second part of the session, in February 1997. However, the documentation prepared by the secretariat for both agenda items should be available at the time of the first part of the session. The secretariat could prepare a short addendum reflecting the post-Singapore situation regarding agenda item 4 for the second part of the session.

6. The Asian Group also wished to voice its concern regarding the divergent views on the UNCTAD year. UNCTAD had always worked on the basis of the calendar year and not the "Board-to-Board" year. No decision to the contrary had been taken at Midrand. In fact, it had not even been discussed there. Hence, it was the view of his Group that the past practice should continue. A switch to the Board-to-Board year would mean that one whole work year would be lost. That was not at all desirable, and his Group supported very strongly the continuation of work in UNCTAD on the basis of the calendar year.

7. In the context of the new intergovernmental machinery that would be functioning very soon, he emphasized that, although the issue of the least developed countries would henceforth be considered throughout the intergovernmental machinery, as agreed at the ninth session of the United Nations Conference on Trade and Development, the responsible entity in the UNCTAD secretariat for the least developed, landlocked and small island developing countries should be shaped, staffed and equipped as early as possible to allow it to coordinate the sectoral work, monitor the implementation of the Paris Programme of Action and other relevant United Nations programmes of action, and provide inputs for review by the Board.

8. Reiterating the Asian Group's position on the need for financing the participation of experts from developing countries in expert meetings, he said that now that the number of expert meetings had been limited to 10 a year, it was important to ensure that developing countries benefited fully from such meetings. That could be done by financing the participation of a certain number of experts from developing countries in each expert meeting. The secretariat

should therefore carry out the necessary studies to enable the Board to take up the matter at its next regular session and reach a favourable decision.

9. The spokeswoman for the African Group (Kenya) said that, in the view of her Group, the provisional agenda for the forty-third session of the Board was well balanced. It was important that the first regular session of the Board to be held in the wake of the ninth session of the United Nations Conference on Trade and Development should address some of the issues that were vital to Africa. For although growth in Africa had recovered slightly to around 3 per cent in 1995, most countries were adversely affected by the decline in the prices of their export commodities, while some were also beset by civil wars and political uncertainty. The food security situation in the continent was also causing concern, as the harvests in most of the sub-Saharan countries had been reduced by drought or unreliable rainfall. That had meant increased reliance on food imports to stave off famine. The continued slowdown in net aid disbursements was also a growth-depressing factor, coupled with the burden of debt repayments, which remained excessive. Yet again, Africa's economic growth and its share of world trade had not kept pace with its population growth, with the result that real incomes had not improved.

10. To create an enabling environment for attracting foreign direct investment, most of the African countries had undertaken far-reaching economic reform measures. Unfortunately, those measures had not been matched by increased foreign direct investment. The substantive policy item on foreign direct investment and development in a globalizing world economy was therefore of great interest to Africa. For the subject to receive fair treatment, participating ministers and corporate executives must be drawn from a geographical distribution that was representative of the UNCTAD membership.

11. The African Group was happy to see the inclusion of agenda item 5 (UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Special Initiative on Africa) and noted that the secretariat would be preparing a paper which would give an update of the mid-term review to be undertaken in New York in September 1996.

12. On the issue of technical cooperation, she expressed satisfaction at the programmes being drawn up by the UNCTAD secretariat in conjunction with other international organizations. A seminar on WTO and the Uruguay Round results, which had just opened in Nairobi, was part of an integrated technical assistance programme undertaken jointly by WTO, UNCTAD and the International Trade Centre UNCTAD/WTO. She hoped that the programme would be extended to all African countries.

13. With regard to the new Commissions and the agendas selected for their first sessions, the African Group supported the proposals put forward; those priority policy issues which could not be addressed during the first sessions would no doubt be accommodated at future sessions of the Commissions. The African Group also supported the idea of convening, in the first quarter of 1997, an executive session of the Board to discuss issues that would emanate from the WTO Ministerial Conference in Singapore.

14. Finally, she noted that a number of issues to be considered at the forty-third session of the Board would be the subject of consultations prior to the session. Her Group hoped that arrangements would be made to cater for non-English-speaking delegations so that they too could participate effectively.

15. The representative of Ireland, speaking on behalf of the European Union, expressed the view that the priority items for the three new Commissions must be geared to the special needs of developing countries, particularly the least developed countries, be action-oriented and focus on development issues. In addition, the work of the Commissions should, whenever possible, pay special attention to analysing and exchanging successful development experiences and drawing lessons from them. In general, the agendas of the Commissions should always be designed to facilitate the attendance of the relevant policy makers. In that regard, the splitting of the first session of one of the Commissions into two parts should not constitute a precedent for the future. Each Commission should also plan and organize its work and give clear direction to the secretariat. Given the tightly structured nature of the new intergovernmental machinery of UNCTAD and the limits on the number and duration of meetings, it would be essential to ensure that the Commissions were well prepared and used their time efficiently and effectively. That would mean concentration on a limited number of topics aimed at facilitating the participation of developing countries in the international trading system. A key element in the future success of the Commissions would be well-prepared and timely documentation that made full use of the analytical capacity of UNCTAD and focused on the topics under discussion.

16. The Commissions would have to give careful consideration to the convening of expert meetings. Such meetings would require precise terms of reference from their parent Commissions and should contribute useful expert advice that would assist the Commissions in their consideration of policy issues. A clear distinction must be maintained between the policy work of the Commissions and the technical matters discussed at expert meetings.

17. As for the forty-third session of the Board in October, the European Union expected to see the preparations for the session conducted in a transparent manner and with the participation of all the member States. The Union also looked forward to receiving timely documentation in all the official languages of the United Nations.

18. Regarding the substantive policy segment of the Board, the European Union believed that the proposals just agreed upon formed the basis for a useful policy debate on foreign direct investment and development. He noted with pleasure the envisaged participation in that segment of major figures from the private sector who had relevant experience of investing in developing countries. Their contribution was a welcome innovation that would greatly facilitate the debate on an issue of central importance to the developing countries.

19. In the management area, it was essential for the Board to have the opportunity to review the publications policy of UNCTAD and to discuss its cooperation and coordination with other international bodies.

20. Finally, the European Union considered that the UNCTAD calendar of meetings must be balanced between meetings of experts and their parent Commissions. The meetings of the Commissions must be well spaced between the annual meetings of the Board. It was the responsibility of the Commissions to convene expert meetings. Any departures from that important Midrand provision must be justified and designed to facilitate the effective work of the Commissions. Underpinning the Union's consideration of the calendar were the time constraints placed on the intergovernmental machinery and the consequent need to have a calendar which made optimum use of the time available.

21. The representative of the Russian Federation said that the final document adopted at the ninth session of the United Nations Conference on Trade and Development showed that it was possible to reach an in-depth consensus on the issues dealt with by UNCTAD. The careful wording of the Midrand document should be faithfully reflected in any documents that were adopted at subsequent intergovernmental meetings in UNCTAD.

22. He expressed the wish to see the documents for the forty-third session of the Board, especially the World Investment Report, 1996 and the Trade and Development Report, 1996, made available in the near future, both to missions in Geneva and to national capitals, to enable delegations to make serious preparations for the session.

23. Finally, his delegation took a positive view of the steps which the Secretary-General of UNCTAD had taken to reorganize the secretariat and hoped that the Secretary-General would be able to share his views on that matter with delegations in the near future.

24. The representative of China recalled that, in accordance with the provisions of the Midrand final document, UNCTAD was called upon to ensure the developing countries' participation in world trade on a more equitable basis. His delegation hoped that the new spirit of cooperation would lead to a change in the status of developing countries in the world economy between now and UNCTAD X. For that to happen, UNCTAD should spend less time on procedural matters and more on matters of substance. He noted with satisfaction that the provisional agendas just approved for the forty-third session of the Board and the new Commissions reflected the tasks assigned by the United Nations Conference on Trade and Development at its ninth session. As for the documentation for the forthcoming meetings, it was important that the documents should be made available in good time, including the Chinese versions, which would be needed for preparatory work in Beijing.

25. The representative of Hungary, referring to the arrangements made for the informal consultations leading up to the thirteenth executive session of the Board, expressed his delegation's appreciation for the possibilities provided for delegations that were not represented in the geographical groupings to express their views in the early phase of the process. He hoped that that practice would prove to be the normal way of conducting business in the wake of the ninth session of the Conference. The informal process should result not only in the proper involvement of the interested delegations in the preparatory process but also in the avoidance of the introduction of new ideas in the plenary sessions.

26. The representative of the Republic of Korea said that, in facing the even harder task of implementing what had been agreed upon at the ninth session of the Conference, UNCTAD must be more productive and competitive. To achieve that goal, highly prioritized and organizational agendas would be a basic requirement for successful meetings under the new system. The provisional agendas just approved for the forty-third session of the Board and the first sessions of the Commissions were excellent; he welcomed in particular the discussion on item 3 of the Board's agenda, to which his country attached considerable importance. The Republic of Korea was especially interested in sharing development experiences among developing countries, as the Foreign Minister of the Republic of Korea had emphasized at Midrand. Indeed, item 3 could cover a wide range of issues of global economy and development.

27. The spokesman for Group B countries (United Kingdom of Great Britain and Northern Ireland) said that, since it would be the first regular session to be held since the ninth session of the Conference, which he hoped marked the renaissance of UNCTAD, the forty-third session of the Board in October could well be one of the most important of all Board meetings. It was therefore essential to ensure that the session was well prepared, for the manner in which it was conducted and the results it achieved would be crucial. The preparation must be undertaken in an open and fully transparent way, with the involvement of all interested member States. The challenges and provisions of the Midrand final document still had to be translated into action for the well-being of the countries that should really benefit from UNCTAD activities. If the challenge was picked up, the hard work would all have been worth while. But if, despite the new circumstances, the international community was unable to think anew and act anew, it would be guilty of letting slip a great opportunity to make of UNCTAD a relevant and useful body and would betray those who could benefit from a renewed UNCTAD. He cautioned that the lessons of the past did not naturally point to success. Success would require all countries to discard several old habits and work together in a spirit of cooperation. Group B countries stood ready to play their full part.

28. The representative of Japan observed that the Midrand final documents provided a broad framework for the work of UNCTAD in the years ahead. But the very breadth of that framework meant that more concrete action, based on a step-by-step approach, would be necessary, in particular drawing on the successful experiences of developing countries. The work must be focused in a realistic and practical sense and should be neither over-ambitious nor simply a repetition of the words and formulas of the past. The international community must keep moving forward steadily to secure constructive and meaningful results through expert analysis and dialogue based on real partnership, with a view to further integrating developing countries into the world economy, taking account of the special problems of the least developed countries.

29. The representative of Switzerland said that his authorities were of the view that the Board had made a good start in the task of implementing the results of the ninth session of the United Nations Conference on Trade and Development. His country supported the Secretary-General of UNCTAD in his difficult and complex task of restructuring the secretariat to bring it into line with the final provisions of the ninth session of the Conference and to prepare it for an efficient delivery of the work programme negotiated at Midrand. The promise of Midrand must now be translated into everyday matters to ensure a lasting reinvigoration and rejuvenation of UNCTAD. To succeed in that task, close cooperation was needed among all delegations and with the secretariat, in the spirit of the Midrand Declaration and "A Partnership for Growth and Development".

30. The representative of Norway, referring to the consultations on the provisional agendas for the first sessions of the Commissions, said that, while recognizing the need to adhere to the language agreed upon at Midrand, his delegation had been a little worried about the focus in certain agenda items, and particularly in the annotations. To some extent, however, the concerns of Norway had been met and his delegation considered that there was now a useful basis for the first sessions of the three Commissions. As for the high-level segment of the forty-third session of the Board, his Government had, in the light of today's planning, indicated its wish to be represented at ministerial level at the high-level segment. Finally, his delegation joined with the European Union in wishing to know something about how the member States'

responses to UNCTAD involvement in some of the expert meetings would be reflected in the future planning of those meetings.

31. The Secretary-General of UNCTAD observed that, less than two months after the close of the ninth session of the Conference, UNCTAD had already honoured the commitment to begin without delay the process of implementation. The secretariat had taken note with great attention of the comments made during the thirteenth executive session on several aspects of the future work. Change was a never-ending process. A good start had been made: it was now necessary to move ahead to the achievement of substantive results. Progress was being made on many fronts, such as, for example, the incorporation of the private sector in the high-level segment of the Board that would discuss foreign investment. For its part, the secretariat would continue - in the matter of restructuring, documentation and preparatory work - to deliver and to meet all the expectations placed in it so far.

V. ORGANIZATIONAL MATTERS

A. Opening of the session

1. The thirteenth executive session of the Trade and Development Board was opened on 8 July 1996 by Mr. Jacob Selebi (South Africa), Vice-President of the Board, who presided over the session in the absence of the President of the Board, Mr. William Rossier (Switzerland). The thirteenth executive session consisted of one meeting, the 874th plenary meeting of the Board.

B. Bureau of the thirteenth executive session

2. There being no change in the elected officers of the Bureau since the twelfth executive session, the Bureau of the thirteenth executive session was as follows:

President: Mr. William Rossier (Switzerland)

Vice-Presidents: Mr. Youri Afanassiev (Russian Federation)
Mr. Munir Akram (Pakistan)
Ms. Kristie Kenney (United States of America)
Mr. Antonio E. Marziota Delgado (Cuba)
Mr. Toshio Tsunozaki (Japan)
Mr. Sirous Nasseri (Islamic Republic of Iran)
Mr. Javier Paulinich (Peru)
Mr. Henri Reynaud (France)
Mr. Jacob S. Selebi (South Africa)
Mrs. Appolonie Simbizi (Burundi)

Rapporteur: Mr. Jan Piotrowski (Poland)

C. Adoption of the agenda

3. At its 874th meeting, the Board adopted the provisional agenda for its thirteenth executive session, as contained in document TD/B/EX(13)/1 (see annex I).

D. Membership of the Trade and Development Board

4. At the 874th meeting, the President stated that the Secretary-General of UNCTAD had received an official communication indicating that the Republic of Slovenia wished to become a member of the Trade and Development Board.

5. The Trade and Development Board agreed to grant membership to the Republic of Slovenia under the provisions of paragraph 5 of General Assembly resolution 1995 (XIX), as amended. The Board noted that, with the addition of Slovenia, the membership of the Board now stood at 144.

E. Review of the calendar of meetings

6. For its consideration of agenda item 5, the Board had before it a note by the UNCTAD secretariat on a draft calendar of meetings for the remainder of 1996

and a draft indicative calendar for 1997 (TD/B/EX(13)/CRP.1), which had been prepared following informal consultations of the President.

7. Introducing the item, the President proposed that the Board should not enter into detailed discussion of the calendar at that stage and that it should approve it for planning purposes, on the understanding that the calendar would be reviewed in informal consultations of the Bureau in September 1996 before the Board approved and amended it at its forty-third session. The secretariat would also take into account the comments made by delegations in the informal consultations with regard to preparation of documents and avoidance of overlap with major meetings within and outside the Palais des Nations, Geneva. In addition, the calendar would allow for four days of informal consultations for the month of September 1996 for the President of the Board and the Bureau, and four days of informal consultations, also in September, for the Secretary-General of UNCTAD. The calendar should also include provision for regional group meetings.

8. The representative of Ireland, speaking on behalf of the European Union, recalled that the Secretary-General of UNCTAD had addressed a letter to States members of UNCTAD, dated 19 March 1996, to ascertain their views on whether to convene the Preparatory Committee for the Review Conference on the United Nations Convention on a Code of Conduct for Liner Conferences (which had been scheduled for 26-28 November 1996). The view of the European Union was that there were no issues that needed to be dealt with at this time. Accordingly, before the Board agreed to convene the Preparatory Committee, he called on the secretariat to state what had been the collective response of the member States to the Secretary-General's letter.

9. The Secretary of the Board said that the secretariat would make available the information requested as soon as possible. In the light of that information, the Bureau consultations to be held in September would be able to take a decision on whether to maintain the inclusion of the Preparatory Committee in the calendar of meetings for the remainder of 1996.

10. Subject to the above understandings, the Trade and Development Board approved the draft calendar of meetings contained in document TD/B/EX(13)/CRP.1.

F. Report of the Board on its thirteenth executive session

11. At the close of its 874th plenary meeting, on 8 July 1996, the Trade and Development Board authorized the Rapporteur, under the authority of the President, to prepare the report of the Board on its thirteenth executive session.

ANNEX I

Agenda of the thirteenth executive session of the Board

1. Adoption of the agenda.

2. Follow-up to the recommendations adopted by the United Nations Conference on Trade and Development its ninth session.

3. Review of the calendar of meetings.

4. Provisional agenda for the forty-third session of the Board.

5. Other business.

6. Report of the Board on its thirteenth executive session.

ANNEX II

Provisional annotated agendas for the first sessions of the three Commissions

A. Commission on Trade in Goods and Services, and Commodities (Commission 1)

1. Election of officers.

2. Adoption of the agenda and organization of work.

3. Enabling countries to respond to the opportunities arising from the Uruguay Round agreements so as to derive maximum available benefit by: analysing the impact of the Uruguay Round agreements on development and enhancing capacities for participation in the multilateral trading system.

   This item would permit an examination of the current trading opportunities and challenges facing developing countries and the impact of the Uruguay Round agreements on their development. Trading opportunities of developing countries in goods and services and their integration into the world economy will also be influenced to an important extent by the ability of those countries to participate more fully in the multilateral trading system. This issue will focus on enhancing national capacities in terms of human resources and administrative infrastructures, to enable countries to adjust effectively to meet their obligations and to take advantage of their rights under the multilateral trading system, as well as the assistance provided to countries in the process of accession to the World Trade Organization. The secretariat report to this first session should include possible ways of strengthening capacities for participating in the multilateral trading system.

4. Integrating trade, environment and development: recent progress and outstanding issues.

   Consistent with the mandate of the ninth session of the United Nations Conference on Trade and Development, the Commission should analyse the situation four years after the Rio Conference, particularly with regard to the issues identified in paragraph 91 (iv) of the final document of the ninth session.

5. Provisional agenda for the second session of the Commission and any necessary preparation through expert meetings.

6. Other business.

7. Adoption of the report of the Commission.

B. Commission on Investment, Technology and Related Financial Issues (Commission 2)

1. Election of officers.

2. Adoption of the agenda and organization of work.

3. Developments in international investment: interaction between investment and trade and its impact on development.

Against the background of global and regional foreign direct investment trends and on the basis of an analysis of the interrelationships between foreign direct investment and trade, the Commission will discuss national and international policy measures designed to increase the contribution of foreign direct investment to development, including, especially, measures to encourage foreign direct investment flows to developing countries, especially least developed countries. To facilitate the discussion, the report on this item summarizes the information in the World Investment Report 1996.

4. Issues related to competition law of particular relevance to development.

The Commission will focus on examining issues related to the subject: continuing analytical work on restrictive business practices and assistance in formulating competition policies and legislation. To facilitate the discussion, experts will prepare a report.

5. Reports requiring the attention of the Commission.

Under this item, consideration would be given to the report of the UNCTAD secretariat on the activities of the programme and to the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.

6. Provisional agenda for the second session of the Commission and any necessary preparation through expert meetings.

7. Other business.

8. Adoption of the report of the Commission.

C. Commission on Enterprise, Business Facilitation and Development (Commission 3)

1. Election of officers.

2. Adoption of the agenda and organization of work.

3. Enterprise: issues relating to an enterprise development strategy.

The new dynamics of production and of enterprise development engendered by globalization, liberalization and technological change have focused attention on the need for developing and other countries to adopt a comprehensive and coherent national strategy for enterprise development, with a particular focus on small and medium-sized enterprises, that will enable them to build up their enterprises as an essential instrument of development and of their enhanced participation in the world economy. While such a strategy is important for countries at all levels of development, it is particularly important for least developed countries which lack a mature enterprise or SME sector and which need to build up such a sector. Attention will be given to the main elements of such a strategy, including the policy and institutional implications, with a

view to contributing to the identification of policy options, at both national and international levels, to enhance the role of domestic enterprises in development and in the global economy. Discussion on this issue will be facilitated by exchange of relevant experience. Particular reference will be made to (i) the role of government-private sector dialogue in promoting enterprise development; (ii) measures of support for fostering the creation, development, efficiency, competitiveness and internationalization of enterprises, particularly small and medium-sized enterprises including through the establishment of enterprise linkages, both domestic and international, and issues of interrelationship between enterprise development and technology; and (iii) measures to address the effects of structural adjustment policies on enterprise development.

4. Services infrastructure for development and trade efficiency assessment.

The primary role of UNCTAD in this sector is to assist developing countries, particularly the least developed countries, and countries in transition, in generating trade-supporting services such as customs, transportation, banking and insurance, telecommunications or business information which are adapted to their particular requirements. Several of those areas were also identified by the United Nations International Symposium on Trade Efficiency, held at Columbus, Ohio, in October 1994, as being able significantly to improve participation in international trade, especially of weaker and small players. Within each of those sectors, the Commission can contribute to identifying priorities among the relevant policy issues and practical measures for a rapid enhancement of the objectives of trade efficiency worldwide, with special attention to the least developed countries. In this context, the Commission will be in a position to examine the possibility of inviting experts to meet and address sectoral and cross-sectoral issues relevant to the follow-up of the United Nations International Symposium on Trade Efficiency. Based on the outcome of this work and that of the Commission itself, it will then be the Commission's responsibility to identify and pursue the policy opportunities raised by the trade efficiency assessment exercise called for by the ninth session of the United Nations Conference on Trade and Development. The Commission will take into account the close cooperation between UNCTAD, the Economic Commission for Europe, the International Trade Centre and other relevant international organizations on these issues. An area of particular and immediate importance to most developing countries and economies in transition is that of transit, in which the practical experience acquired by UNCTAD (through programmes like the Advance Cargo Information System (ACIS) and the Automated System for Customs Data (ASYCUDA) and its work on corridor agreements), as well as the availability of new technologies, represents a capital that could be brought to rapid fruition. It is proposed that the Commission convene a first expert meeting to define the avenues and tools required to simplify the implementation of transit agreements.

5. Provisional agenda for the second session of the Commission and any necessary preparation through expert meetings.

6. Other business.

7. Adoption of the report of the Commission.

ANNEX III

Provisional agenda for the forty-third session of the Board

1. Procedural matters:

   (a) Election of officers;

   (b) Adoption of the agenda and organization of the work of the session;

   (c) Adoption of the report on credentials;

   (d) Provisional agenda for the forty-fourth session of the Board.

2. Segment for high-level participation; substantive policy item: foreign direct investment and development in a globalizing world economy.

3. Interdependence and global economic issues from a trade and development perspective: rethinking development strategies; some lessons from East Asian development experience.

4. Programme of Action for the Least Developed Countries for the 1990s:

   (a) Review of implementation of the Programme of Action for the Least Developed Countries for the 1990s;

   (b) UNCTAD's contribution to the work of relevant international organizations in the implementation of the Uruguay Round Final Act Decision on Measures in Favour of the Least Developed Countries by assisting the least developed countries that are members of the World Trade Organization to take maximum advantage of the special and differential measures provided for in the Uruguay Round agreements.

5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Special Initiative on Africa.

6. Review of technical cooperation activities of UNCTAD.

7. Matters requiring action by the Board in follow-up to the ninth session of the United Nations Conference on Trade and Development and arising from or related to reports and activities of its subsidiary and other bodies:

   (a) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development;

   (b) Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation.

8. Other matters in the field of trade and development:

   (a) Progressive development of the law of international trade: twenty-ninth annual report of the United Nations Commission on International Trade Law;

(b) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its twenty-ninth session.

9. Institutional, organizational, administrative and related matters:

(a) Review of the lists of States annexed to General Assembly resolution 1995 (XIX);

(b) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

(c) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;

(d) Review of the calendar of meetings;

(e) Administrative and financial implications of the actions of the Board.

10. Other business.

11. Adoption of the report of the Board on its forty-third session.

ANNEX IV

Membership and attendance*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Argentina
Australia
Austria
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Burundi
Cameroon
Canada
Chile
China
Colombia
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Cyprus
Czech Republic
Democratic People's Republic of Korea
Denmark
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Germany
Ghana
Greece
Honduras
Hungary
India
Indonesia
Iran (Islamic Republic of)
Ireland
Israel
Italy
Jamaica
Japan
Kenya
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Namibia
Nepal
Netherlands
Nicaragua
Nigeria
Norway
Pakistan
Panama
Peru
Philippines
Portugal
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Senegal
Sierra Leone
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Syrian Arab Republic
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Venezuela
Viet Nam
Yemen
Zambia

* For the list of participants, see TD/B/EX(13)/INF.1.

2. The following members of UNCTAD, not members of the Board, were represented as observers at the session:

Comoros
Holy See
Lithuania

3. The following bodies were represented at the session:

United Nations Environment Programme
International Trade Centre UNCTAD/WTO

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund
International Telecommunication Union
World Intellectual Property Organization
United Nations Industrial Development Organization
World Trade Organization

5. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
Organization of African Unity
International Organization for Migration

6. The following non-governmental organizations were represented at the session:

General category

International Chamber of Commerce
International Confederation of Free Trade Unions
Lutheran World Federation
World Confederation of Labour
World Federation of United Nations Associations
Women's International League for Peace and Freedom

Part Two

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS FORTY-THIRD SESSION

Held at Geneva from 7 to 18 October 1996

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS OF ITS AGENDA

A. Segment for high-level participation; substantive policy item: foreign direct investment and development in a globalizing world economy

1. At its 881st (closing) meeting, on 18 October 1996, the Trade and Development Board decided to include in the report on its forty-third session the remarks on agenda item 2 made by the Chairman of the high-level segment at the close of the high-level proceedings on 10 October 1996. Accordingly, the closing remarks are reproduced below.

Closing remarks by Mr. Alec Erwin, Minister for Trade and Industry of South Africa, President of the ninth session of the United Nations Conference on Trade and Development, in his capacity as Chairman of the high-level segment*

2. I wish to thank the panellists for some very lucid inputs. It seems to me that this exercise has been a success - a success in dialogue, a success in raising issues in a manner that has been frank without necessarily adopting fixed positions. It is important that what I say must be seen not as an attempt in any way to summarize all the complexity of what has happened here today. That would not be possible, and I believe that it would also be inappropriate if, in summing up as Chairman of this high-level segment, I were to attempt in any way to set an agenda or create fixed positions. So what I am about to say must be taken as another contribution to this dialogue, allowing us to reflect on the outcome of the dialogue and to go forward.

3. It seems to me that we have raised some quite important issues that need further analysis and reflection. At the beginning, we heard what the preferences of the business community would be, and two important points came up in that discussion. The first one was, as Mr. Douglas Gregory indicated, that what the International Chamber of Commerce was talking about was what would be the ideal world. No country comes up to that ideal at this point, and perhaps none ever will. We were also alerted to the fact that business may not always be at one on something like a multilateral investment agreement. But while there may be differences in this regard, the business community may be at one on what they regard as a favourable investment environment from the standpoint of their own perceptions and needs. Governments will have to respond to those perceptions and needs, for they are the key doers, as was indicated.

4. We have heard the reservations, the viewpoints, the comments of many Governments, particularly on what the implications would be for them of a multilateral agreement. It was one of my compatriots from Africa who probably put this with the greatest vigour. We shall have to respect the reservations that have been made in the dialogue that goes forward. We have heard well-stated arguments for and against the question of whether a multilateral investment agreement should come now or whether we should allow for an organic development, emerging out of the many existing agreements and, obviously, taking into account the critical position that an Organisation for Economic Cooperation

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* Originally circulated to the Board in TD/B/43/11. For the list of panellists and programme of the high-level segment, see TD/B/43/12 (Vol. II), chapter I.

and Development multilateral investment agreement would occupy when they reach agreement on it. One point that began to emerge in the closing two panels, and particularly the last one, was that when regions begin to discuss investment agreements, they do so at the same time as they are discussing a number of other issues. This came up in the Southern Cone Common Market (MERCOSUR) presentation and I know it is also very true of our own discussions in the Southern African Development Community (SADC). In a region which has contiguous boundaries and cross-border flows, you cannot really discuss investment in the absence of a wide range of other issues, such as population movements and joint infrastructural projects. So it seems inevitable that there would be qualitative differences between the breadth, intensity and detail of the discussions within a regional grouping and the broader multilateral arrangements that could emerge over time. I think this was not highlighted sufficiently, because it does indicate an inevitable situation in which, even if we were to get a multilateral agreement, regions may still go beyond that multilateral investment agreement in the kind of dynamic situation that was outlined at the beginning.

5. What many participants highlighted in one way or another - and Ambassador William Rossier did this again very lucidly at the end - was that our present discussion on the need for a multilateral agreement or the reason why it is on the agenda (there may be those who question the need at this stage, but it is on the agenda) has not sprung up from nowhere. It comes from a series of processes. All of us in UNCTAD recall the very detailed discussions that were held at the ninth session of the Conference about the underlying economic processes that are giving rise to globalization - the changes in investment and capital flows and the instantaneous nature of knowledge and information around the world that underlie globalization. A point was made by the moderator in the first panel that, if you look at the absolute numbers, relatively speaking in regard to investment flows there may have been as much movement a hundred years ago. But I think that what is indisputable is that the effects and the underlying impetus for this foreign direct investment have changed structurally and significantly. In our discussions on trade in UNCTAD and in the discussions on investment here today, this emerges again. We really do have to come to grips with the more deep-seated economic changes that are integrating economic space, as Mr. Rubens Ricupero, Secretary-General of UNCTAD, said at the ninth session of the Conference, because it immediately means that wider issues are at stake. Mr. Monty Graham and many other speakers in this meeting have highlighted this issue. A holistic approach is needed in these discussions. This raises a question which many speakers pointed to as an area requiring more detailed analysis: in the mobilization of resources for investment, be they domestic resources or be they foreign direct investment for any particular economy, are we in a position, as countries managing our own economy, to draw a distinction between domestic investment and foreign? I know, speaking for South Africa, that we feel it is not possible for domestic investors to be governed by one set of economic forces and foreign investors to be governed by another.

6. We must remind ourselves of an important point made here about the absolute size of foreign direct investment. If I remember the figure accurately, Mr. Sanjaya Lall said that movements of foreign direct investment constitute some 5 per cent of total savings. So the resource mobilization process is a gigantic one. I submit that, for all of us attempting to mobilize our own domestic resources, we cannot avoid or ignore the changes in the production processes, the changes in technology, the changes in marketing, the changes that arise out of mobility, when we consider our own resources. And this means possibly that the overall macroeconomic approach we take in mobilizing

resources, the environment we create, cannot be separated out from what is happening in the process of globalization.

7. But, as at the ninth session of the United Nations Conference on Trade and Development, time and time again we came back to the diversity and differential impacts that globalization would have. This point was made again very strongly by the representative of China. The challenge, I believe, that faces us is how do we accommodate the differential impacts and the diversity without then talking past one another. This dialogue can try to avoid the danger whereby the immense diversity of our economic situations causes us to talk past one another because we have different immediate concerns.

8. A point that was emphasized both at the ninth session of the Conference and again here, but I would like to stress it very strongly on behalf of a developing country grappling with this problem, is the need for the enhanced cooperation of the multilateral institutions. It cannot make sense to have different dialogues and different studies in different structures. At the very least, there must be a dialogue on how we work together in analysing these problems and our positions must be supported with informed analysis. Speakers have stressed in this forum, and I believe this was the mandate of the ninth session of the Conference and it makes plain common sense, that not only must UNCTAD undertake the analytical task but it must also do what the Secretary-General of UNCTAD has outlined and make every effort to do it in cooperation with other multilateral organizations.

9. I believe that the panellists and delegations can congratulate themselves for having participated in this forum in a manner that has truly made it a success. Congratulations should go to the Secretary-General of UNCTAD and Mr. Karl Sauvant and his team and others in the UNCTAD secretariat for experimenting once again in holding a dialogue that avoids some of the pitfalls inherent in the more structured meetings that are necessary in international diplomacy and allows us here to be fairly open and frank. Whatever happens, this dialogue must continue. As we move towards the World Trade Organization Ministerial Conference in Singapore, let us bear in mind that, as we saw with the ninth session of the Conference, even when you have an agreement, as in the Uruguay Round agreements, the implementation is as important, if not more important, than the signing. In implementing these agreements, a dialogue is fundamental, for an agreement that is imposed without support is an agreement bound for failure, bound for a polarization of our economies and our societies.

10. Thank you for the privilege of allowing me to chair this high-level segment. This is not a summary that binds you to anything. If it has caused you to think, then I too have succeeded.

B. Interdependence and global economic issues from a trade and development perspective: rethinking development strategies; some lessons from East Asian development experience

Agreed conclusions 434 (XLIII): Interdependence and global economic issues*

1. The Trade and Development Board expresses its appreciation of the work so far undertaken by the UNCTAD secretariat on development experiences of developing countries as part of its analysis of interdependence and global economic issues from a trade and development perspective. The secretariat should pursue this work, drawing as necessary on experiences of developing countries in other regions, and of the more successful least developed countries, deriving relevant policy lessons.

2. The Board requests the Secretary-General of UNCTAD to formulate lessons which might be considered by African countries, and notes the support provided by Japan in this regard.

3. The Board invites its President to conduct informal consultations designed to improve the way the Board addresses the item on interdependence, drawing on the lessons learned so far. In this connection, decisions would be taken at an executive session of the Trade and Development Board in the spring of 1997.

881st plenary meeting
18 October 1996

President's summary**

1. The debate on agenda item 3 was rich and informative. It addressed a number of general policy issues concerning globalization and liberalization, as well as more specific policy issues, using the Trade and Development Report, 1996[1] as background. The debate also included a lively informal panel debate with outside experts whose views greatly contributed to a deeper understanding of the issues. However, some delegations regretted that translations of the Trade and Development Report into all the working languages of the United Nations were not available before the convening of the Board; that made adequate preparation for the discussion difficult for some Governments.

2. The Trade and Development Report was well received by delegations and commended for its high standards of analysis. Most delegations expressed satisfaction that its analysis of global interdependence issues from a development perspective reflected the consensus reached at the ninth session of UNCTAD. There was particular support for UNCTAD's efforts to analyse successful development experiences, drawing lessons that may be of value to other countries, in particular the least developed countries. Several delegations expressed the opinion that taking those lessons from an analytical to a more

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* Originally circulated in TD/B/43/L.5. In adopting the draft agreed conclusions in TD/B/43/L.5, the Board made several amendments which are incorporated in the final text.

** Originally circulated in TD/B/43/L.4, the President's summary on agenda item 3 is included in the present report by decision of the Board at its 881st plenary meeting, on 18 October 1996.

action-oriented stage was the natural progression for this line of inquiry. A number of delegations felt that an examination of the successful experiences in other regions, including Latin America and the more successful least developed countries, and any appropriate lessons drawn for other countries, should take into full account particular social and political conditions as well as differences in levels of development.

3. The discussion on East Asian experiences was greatly strengthened by contributions from that region. Several delegations believed that sharing their experiences with other developing countries provided not only policy options for others currently facing daunting development challenges, but also a basis for more effective technical and financial assistance from the more advanced economies of East Asia. Those delegations were generally very supportive of the analysis offered in the Trade and Development Report as a means of shedding further light on the particular mix of market mechanism and government policies used to coordinate a process of rapid economic growth and industrialization. Particular emphasis was given to the policies used to promote investment and exports, as well as to upgrading technologies, strengthening training and improving human capital. The critical role played by higher rates of private sector investment, as well as investments in public infrastructure, in removing supply constraints was generally recognized as being a central lesson which should be taken from East Asia to other developing countries. The positive role of selective foreign direct investment policies in this context was also recognized, but several delegations expressed the need for further empirical studies and research on the links between liberalization, foreign direct investment, technology and development, in light of East Asian experiences.

4. There was agreement that the role of the market as a basis of economic growth was now better appreciated by policy makers in developing countries. While some delegations noted that there is a substantial overlap between the classical structural adjustment agenda and many features in the Asian success story, others argued that the dynamism of the "Asian miracle" cannot be adequately defined by the functional approach advocated by the Bretton Woods institutions, and they expressed concern that the complementary and, when appropriate, corrective role of the State had been unduly neglected in much recent discussion of development policy and the structural adjustment programmes. It was argued that a new generation of structural adjustment programmes in Africa should address the lessons from East Asian experience. However, some delegations from East Asia cautioned against an uncritical assessment of their experiences, recognizing that mistakes had been made and that those needed to be included in the learning process.

5. The question of how the East Asian economies had used external resources to strengthen their domestic growth dynamic was a particular concern of many delegations. Access to markets, foreign capital and technologies were also cited as integral to successful development in all the East Asian economies. A number of delegations expressed doubts as to the possible use of more selective trade and industrial policy measures, of the kind which appear to have been used by some East Asian economies, in the context of a new trading environment in which increased liberalization has reduced the autonomy of the State to formulate its national economic policy, and they urged the secretariat to undertake work to determine more specific policy actions that are compatible with the Uruguay Round agreements.

6. The optimistic stance adopted in the 1996 Trade and Development Report concerning the global environment for export-oriented industrialization met with some scepticism from several delegations. While there was agreement that

globalization opened up many new opportunities for developing countries, some delegations believed that there was also an increased risk of marginalization. Several delegations saw the international economic and trade environment as much less conducive today as compared with the period when East Asia began its take-off into sustained economic growth. A combination of factors, including slower growth in the advanced economies, increased protectionism and much greater competition among developing-country exporters, were identified as contributing to this changed environment.

7. In the light of new global obstacles facing policy makers in developing countries, many delegations expressed interest in the regional dimension of East Asian success in which trade and investment had acted as vehicles to transfer growth impulses among countries at different levels of development. Several delegations discussed their own renewed efforts in this direction, particularly the step-by-step approach that was being adopted. A number of delegations urged further work on this aspect of East Asian success and its implications for development strategies more generally.

8. The idea put forward in the Trade and Development Report that a marketing-cum-information service could help many newly industrializing economies in formulating their export strategies by monitoring the market conditions of certain labour-intensive manufactures met with mixed responses. A number of delegations noted that that task was already an important activity within the International Trade Centre UNCTAD/WTO and in bilateral development assistance. However, some delegations encouraged further reflection by the secretariat on the issue.

9. Opinions concerning the short- and medium-term prospects of the world economy differed quite sharply. For some, substantial progress in terms of global stability was beginning to translate into more sustainable growth, particularly in the North. The recent growth performance in Africa and Latin America also showed encouraging signs from that perspective. However, on other assessments the overall growth rate of the world economy was still too low and recovery in many parts of the world was still of too short a duration to make firm predictions about future trends. A number of delegations raised the concern that deflationary policies adopted by the developed countries and insistence on countering perceived inflationary pressures had contributed to slow growth in the world economy in view of the fact that the major industrial countries still account for three quarters of world output. Some delegations feared that the persistence, or even rise, of unemployment in those countries could generate pressures to reverse commitments made in the Uruguay Round agreements, threatening the kind of export-led growth strategies followed in East Asia. Other delegations were of the view that fiscal consolidation was one of the core tasks of economic policy and that lower interest rates and more positive long-term expectations would promote growth in the world economy.

10. Among the constraints currently facing developing countries, many delegations cited the debt problem. Coverage of the debt issue in the Trade and Development Report was applauded and described as a good and accurate overview of the initiative under way in the Bretton Woods institutions. A number of delegations expressed their gratitude to UNCTAD for its helpful work on debt management and in the Paris Club negotiations. Some delegations made reference to recent proposals at the World Bank and International Monetary Fund aimed at easing the debt burden of the least developed countries. While these were warmly received as pushing the discussion in the right direction, a number of delegations felt that more could be done, particularly for the heavily indebted poorest countries. They felt that the debt sustainability criteria were still

restrictive and that there was a need for flexibility in determining country eligibility and for a realistic time-frame. A few delegations argued that the debt problem should be dealt with by the Bretton Woods institutions and that the Trade and Development Report should focus on new priorities agreed on at the ninth session of the United Nations Conference on Trade and Development.

11. The Trade and Development Report was also commended for its useful and thought-provoking discussion of the factors influencing international capital flows. The importance of national regulatory frameworks was noted, and some speakers argued that, in view of the high volatility of such flows, capital controls might be employed on a temporary basis but should be supported by appropriate policy adjustments.

12. A number of delegations pointed to issues not covered in the 1996 Trade and Development Report which could be usefully tackled in subsequent issues. Those included the impact of policies and economic development on social justice and poverty as well as a more detailed assessment of the export opportunities actually created for developing countries by the Uruguay Round.

C. Programme of Action for the Least Developed Countries for the 1990s

Agreed conclusions 435 (XLIII): Least developed countries*

1. The Programme of Action for the Least Developed Countries for the 1990s and the outcome of the Mid-term Global Review of the Implementation of the Programme have recommended policies and measures at the national and international levels to address the danger of further marginalization of the least developed countries in the international trading system. At its ninth session, the United Nations Conference on Trade and Development outlined actions to promote integration of least developed countries into the rapidly globalizing and liberalizing world economy. In elaborating those measures, special attention was given to help least developed countries to maximize their potential opportunities and minimize possible risks arising from the Uruguay Round agreements.

2. Strengthening the capacity of the least developed countries to reap the potential benefits from the Uruguay Round agreements would entail building up their supply capacities to produce exportable goods and services on a competitive basis. That, in turn, would require, as pointed out by the outcomes of the Mid-term Global Review and the ninth session of the United Nations Conference on Trade and Development, national actions and longer-term bilateral and multilateral assistance focusing on improving policies conducive to trade creation and overcoming supply-side impediments.

3. In this regard, the Trade and Development Board reaffirms the outcomes of the Mid-term Global Review and the ninth session of the United Nations Conference on Trade and Development as they relate to trade and trade-related issues of least developed countries.

4. The final document of the ninth session of UNCTAD states that UNCTAD's work "should be geared to the special needs of developing countries, particularly the least developed countries, and focus on development issues. It should be action-oriented and provide guidance on national policies and on an enabling

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* Originally circulated in TD/B/43/SC.1/L.2.

environment conducive to trade and development" (see A/51/308, para. 83). Integration of least developed countries into the world economy and the international trading system would entail the development of export capacities to produce tradable goods and services on a competitive basis. In this regard, the Secretary-General of UNCTAD is encouraged to elaborate UNCTAD-wide integrated country-level programmes for selected least developed countries by pooling the contributions of its Divisions, in accordance with the priorities identified by the least developed countries concerned.

5. UNCTAD should closely collaborate and coordinate with the organizations concerned, such as the World Trade Organization, the International Trade Centre, the World Bank, the International Monetary Fund, the United Nations Development Programme, the United Nations Industrial Development Organization and other development organizations, in the design and implementation of the above-mentioned activities to ensure coherence in policy advice and support.

6. The Trade and Development Board asks the UNCTAD secretariat and the Commissions, in carrying out their tasks, to pay particular attention to the special needs of the least developed countries. In presenting their reports to the Board, the Commissions should, wherever possible, seek to highlight the results of particular relevance to the least developed countries.

7. The Board also asks the enlarged Bureau to consider the future method of work of the Board in conducting its annual review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s with a view to facilitating an in-depth discussion of this item in the light of the priorities established by the United Nations Conference on Trade and Development at its ninth session.

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Summary by the Chairman of Sessional Committee I*

Introduction

1. Sessional Committee I of the Trade and Development Board, in accordance with General Assembly resolution 45/206 and the outcome of the ninth session of the United Nations Conference on Trade and Development, conducted the sixth annual review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s, with The Least Developed Countries 1996 Report[2] as the background document. I wish to place on record the appreciation expressed to the UNCTAD secretariat for the excellent quality of the Report, which contained very useful information and analyses and was of particular value to the Governments of least developed countries and their development partners.

2. The Committee also had an informal exchange of views and a fruitful debate on recent initiatives in the area of external trade and external debt of least developed countries. The participation of high-ranking officials and experts from least developed countries and their development partners in the meeting contributed significantly to a constructive dialogue. (For a summary of the Panel Meeting, see annex below.)

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* Originally circulated in TD/B/43/SC.1/L.3.

Recent growth performance

3. It was noted that the least developed countries as a group displayed modest economic progress in 1994 and 1995 after many years of stagnation or deterioration. Of the 48 least developed countries, 14 were estimated to have experienced strong economic growth in 1995, with GDP growth rate of more than 5 per cent. It was encouraging to see that the most notable improvement in economic performance occurred in African least developed countries. As indicated in the Least Developed Countries 1996 Report, the overall improvement in the economic performance of the least developed countries was due to a combination of factors, including progress made in enhancing political and social stability in some countries, the benefits accruing from domestic economic policy reforms, improved commodity prices as from about 1994 and favourable weather conditions. The efforts to implement more prudent fiscal and monetary policies designed to reduce macroeconomic imbalances also contributed to lower inflation in several countries and the return of investor confidence. However, despite those overall improvements, it was noted that a decisive reversal of socio-economic deterioration of least developed countries was not yet in sight.

Official development assistance (ODA) and debt

4. The continuing decline in the overall ODA/GNP shares to the least developed countries, which in 1994 were less than half of the aid targets and commitments set at the Second United Nations Conference on the Least Developed Countries, held in Paris in 1990, and the fact that fewer donor countries were meeting those targets than in 1990 was a matter of serious concern. The improved aid performance by some donors was welcomed, and donors were urged by least developed countries to make further efforts to fulfil the ODA targets and commitments undertaken in the Programme of Action adopted by the Paris Conference and reaffirmed in the Mid-term Global Review of the Programme and at the ninth session of the United Nations Conference on Trade and Development.

5. A number of least developed countries had made strong efforts to attract foreign direct investment through the liberalization of their economies and the provision of enhanced investment incentives. That notwithstanding, the level of foreign investment inflows had not been encouraging. The need for other initiatives, with support from the international community, to make increased inflows of foreign direct investment to least developed countries a reality was stressed. That should include assistance to address fundamental problems regarding domestic capacities, including the development of the domestic infrastructure and the strengthening of supply-side capabilities. Other areas stressed included strengthened domestic regulatory framework and improved market access.

6. The debt burden of least developed countries, particularly those in Africa, remains exceptionally high and is a serious constraint to their development. Of particular concern is the increasing share of multilateral obligations in the overall debt stock and debt-servicing of least developed countries. In that connection, the considerable progress that has occurred in recent weeks in addressing the debt and debt-servicing problems of the heavily indebted poor countries is encouraging. Of particular significance is the concerted commitment by the international financial community and the Paris Club to take additional action to reduce the debt burden of eligible countries to sustainable levels where the full use of the existing debt relief mechanism is unlikely to provide sufficient relief. The least developed countries emphasized that the effectiveness of those initiatives will depend on the nature of the eligibility criteria and the flexibility with which they are applied. Non-Paris Club

creditors were encouraged to take similar measures to alleviate the external debt burden of least developed countries.

External trade

7. The outcome of the ninth session of the United Nations Conference on Trade and Development highlighted the challenges posed to least developed countries by globalization and liberalization, as well as the need to provide support to those countries to help them overcome the risks of further marginalization in the process. Enhanced access to expanding global markets requires efficient production structures capable of meeting increasingly exacting demands in terms of quality, cost and delivery structures on international markets. Those requirements contrast sharply with the salient characteristics of the export sector of the least developed countries, which include serious lack of diversification and widespread shortages of entrepreneurial and managerial skills, technological capacities, physical infrastructure and support services such as finance, marketing and insurance. Integration of the least developed countries into the world economy will require concerted action by them and the international community. In this regard, attention is drawn to the agreed conclusions 435 (XLIII).

Annex

Report of the Chairman of Sessional Committee I on the work of the Panel Meeting on agenda item 4

1. Discussions in the Panel centred on the plan of action for least developed countries being drafted within the World Trade Organization (WTO) and the recent initiatives of the World Bank and the International Monetary Fund (IMF) on resolving the debt problem of the heavily indebted poor countries. Some of the important points that emerged from the discussions are outlined below.

2. It was noted that the plan of action, if appropriately elaborated and implemented, would contribute to enhancing trading prospects of least developed countries and their speedy integration into today's rapidly globalizing and liberalizing world economy and trade. Alleviation of debt, likewise, would help to free scarce resources for least developed countries and could help the process of adjustment and reform to overcome structural and supply-side weaknesses.

3. The WTO plan of action was expected to comprise three elements: improving market access conditions; encouraging the flow of foreign direct investment; and coordination and cooperation among international organizations concerned in implementing the plan. The draft would be presented at the first Ministerial Conference of the WTO, to be held in Singapore in December 1996. A ministerial meeting of least developed countries would be convened in November to assist those countries in preparing for the Singapore Ministerial Conference. Following the Conference, a high-level meeting would be convened by WTO to consider collaboration and coordination among WTO, UNCTAD, the International Trade Centre, the World Bank and IMF in the implementation of the plan of action for least developed countries.

4. It was pointed out by some participants that the WTO plan of action would be an important instrument in enhancing market access of least developed countries, but in itself might not guarantee export expansion. The plan would need to be complemented by actions aimed at overcoming supply-side impediments

by putting in place the necessary human, physical and institutional infrastructure, upgrading technological capacity, and providing support to improving trade and related policies. The need for technical assistance and financial support was cited in resolving longer-term constraints.

5. Ongoing collaboration between UNCTAD and WTO in providing technical assistance to least developed countries in the area of trade was highlighted. UNCTAD and WTO should work in tandem in elaborating specific actions and their implementation. Some panellists emphasized that technical assistance should not be limited to seminars and the provision of experts, but should help to address the fundamental problems which limit the production capacity in least developed countries. Such assistance needed to be tailored to the specific requirements of each least developed country. A multidisciplinary approach was required in the assistance programmes for the least developed countries.

6. The Panel addressed the question of foreign direct investment in least developed countries. Most least developed countries have put in place liberal policies to attract foreign direct investment, but the volume of that investment in those countries has remained scanty. Some participants noted that the problem was not with policies but with the structural weaknesses in the least developed countries. Foreign investors preferred to invest in countries with better infrastructure, which was not available in least developed countries. They recommended that the developed countries, more advanced developing countries and international organizations concerned should work together to encourage foreign direct investment in least developed countries.

7. The Panel also discussed the recent initiative by the World Bank and IMF on the debt of the heavily indebted poor countries. Of the 41 countries identified as heavily indebted poor countries, 29 are least developed countries. The Panel was informed that the initiative had been designed to resolve the debt problems of heavily indebted poor countries by reducing the external debt burden to sustainable levels, so as to ensure that adjustment and reforms in those countries were not exposed to risks arising from indebtedness. Action under this initiative would be envisaged only when the debtor country had shown, through a good track record of policy performance, its ability to put the support provided to good use. The initiative would cost an estimated $5.5 billion and would be financed out of IMF's Enhanced Structural Adjustment Facility, World Bank funds and the Paris Club, which was to provide up to 80 per cent in debt relief. The operations might not involve less conditionality for the participating debtor countries.

D. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Special Initiative on Africa

Agreed conclusions 436 (XLIII): Development in Africa*

1. In accordance with the final outcome of the ninth session of the United Nations Conference on Trade and Development, the document entitled "A Partnership for Growth and Development", in particular paragraph 107 (c) (see A/51/308), the Board reviewed progress in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and considered UNCTAD's contribution to the United Nations System-wide Special Initiative on

* Originally circulated in TD/B/43/SC.1/L.4.

Africa. The Board also held a panel meeting on the African situation, with the participation of Ministers and Ambassadors.*

2. In the discussions in the Board and the Panel, participants noted that the efforts of African countries in various areas have resulted in significant improvements in their overall economic performance, with the number of countries recording negative growth dropping to 3 in 1995 and those achieving the target of 6 per cent growth per annum increasing to 12 by the end of 1995. The Board noted the constitutional and political as well as regulatory and economic policy reforms effected by many African countries with a view to securing sound macroeconomic policies, facilitating the flow of investment to their countries, mobilizing their domestic savings and developing their human resources and the production and export base of their economies.

3. The Board also noted the efforts of the international community to support African efforts through, inter alia, debt relief, extension of trade preferences, export compensatory mechanisms, resource flows to Africa and the various technical and financial assistance programmes extended bilaterally and multilaterally.

4. The Board reaffirmed the agreed conclusions of the mid-term review of the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and called on all the partners in development to implement as soon as possible the recommendations therein. In this respect, they called on UNCTAD to fulfil its role in implementing its responsibilities within the framework of the New Agenda.

5. UNCTAD's role in implementing the New Agenda and the United Nations System-wide Special Initiative on Africa could, inter alia, encompass:

(a) Continuing and further developing its trade efficiency programme for interested African countries;

(b) Improving trade-supporting services facilitating trade and exports;

(c) Supporting the formulation of national policies promoting and attracting foreign direct investment;

(d) Supporting the formulation of national policies promoting private-sector development, including small and medium-sized enterprises and privatization issues;

(e) Aiding African countries in joining the global trading system and assisting them in developing trade negotiating capacity as well as improving their competition capacities and policies;

(f) Assisting the trade, investment and technological cooperation of interested African countries through projects of technical assistance and policy advice to interested countries;

(g) Distilling relevant development lessons from the successful development experience of other countries and studying in depth specific developmental problems of interest and relevance to Africa, African countries and African economic cooperation;

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* For the report of the Chairman of Sessional Committee I on the panel meeting see the annex below.

(h) Contributing to vertical and horizontal diversification in commodity-dependent countries and promoting the use of risk-management instruments in favour of producers and exporters;

(i) Providing continued support for debt management.

6. The Board invites donors to make extrabudgetary contributions to UNCTAD to carry out its activities in African countries and finance the required technical assistance programmes.

7. The UNCTAD secretariat should cooperate closely and coordinate its work and contribution with other international and development organizations, in particular the World Trade Organization, the World Bank, the International Trade Centre, the International Labour Organization, the United Nations Industrial Development Organization, the United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization and regional/subregional organizations.

8. The Secretary-General of UNCTAD is requested to report to an executive session of the Board on the manner in which he will implement the above proposals. The secretariat is also requested to report to the next session of the Board on the progress, implementation and problems, if any, in carrying out these activities.

9. The consideration of the Africa item in the Board should be organized in a way that allows for a general exchange of views as well as a focused informal debate with participation of experts. The secretariat documentation should stress specific themes. The Board's consideration would aim at highlighting areas for specific actions.

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Annex

Report of the Chairman of Sessional Committee I on the work of the Panel Meeting on agenda item 5

1. The panellists addressed the following issues:

Main problems and prospects for Africa;

The role and importance of peace, security and political stability in the development of Africa;

Possibilities for replicating the East Asian experience;

The role of the United Nations in addressing Africa's problems.

2. Africa had the potential to be the richest continent, but owing to some shortcomings in its domestic policies, an unfavourable external environment, man-made disasters (such as civil wars and conflicts), and natural disasters, it is the poorest. The number of African countries classified as least developed had actually increased - 33 out of 48 least developed countries are in Africa. Africa had fallen behind in its share of both world output and world trade, and it continued to fail to attract adequate foreign direct investment. Its GDP

growth rate is the lowest in the world. In terms of overall human development, the 1996 Human Development Report[3] places the majority of African countries at the lower end of the scale.

3. In accordance with commitments made in the United Nations New Agenda for the Development of Africa in the 1990s, African countries had done the following: introduced liberal policies to attract foreign direct investment; put in place privatization programmes; introduced financial and political reforms and increased transparency and accountability; strengthened and rationalized regional groupings; and set up mechanisms for conflict prevention, management and resolution. Despite those efforts, there had been no change in their situation.

4. Some domestic factors were identified as responsible for Africa's failure to halt its decline, including:

(a) Inadequate or inappropriate economic policies;

(b) Absence of good governance (ethnicity, lack of transparency, military coups, corruption and absence of the rule of law);

(c) Supply-side weaknesses - lack of diversification, structural weaknesses (narrow production and export base, inability to compete in world trade);

(d) Natural disasters - drought and desertification; HIV/AIDS epidemic.

5. The panellists also identified a number of problems on the external front:

(a) The indebtedness of African countries was the major constraint (some countries pay out 50 per cent of their export earnings for servicing interest on debt, and their stock of debt to GDP is more than twice the average of other indebted developing countries);

(b) Falling official development assistance going to Africa: Africa-fatigue syndrome; Africa is losing out to other regions in terms of inflows of resources and lack of political will;

(c) Unfavourable terms of trade, due in particular to commodity trade;

(d) Problems of market access and issues related to the post-Uruguay Round (trade-related intellectual property rights (TRIPs));

(e) Failure to attract foreign direct investment despite far-reaching economic reforms and liberalization.

6. In pointing the way forward, the panellists emphasized the following:

(a) Self-reliance, with intensification of efforts to facilitate economic integration and cooperation, including South-South cooperation. They called for increased assistance for the regional integration of such cooperation arrangements;

(b) Peace-building and conflict resolution, including elimination of the underlying causes of social conflict. (This was a key area needing urgent attention.);

(c) Deepening economic, social and political reforms;

(d) Investment in technology transfer, linking it with indigenous technologies and human resources development.

7. The panellists called on the international community to:

(a) Fulfil its commitments to facilitate Africa's recovery and development, and demonstrate the necessary political will to provide meaningful assistance;

(b) Recognize the importance of the implementation of the existing international programmes in favour of Africa;

(c) Deal effectively with African external debt;

(d) Increase resource flows to Africa, including foreign direct investment;

(e) Support Africa's diversification efforts;

(f) Put in place appropriate mechanisms to address the deteriorating terms of trade;

(g) Extend aid to subregional cooperation mechanisms.

8. The panellists observed that there had been a plethora of international programmes for Africa under the auspices of the United Nations system which had failed to produce tangible results. In fact, the situation had continued to deteriorate during the implementation of those programmes. In addition to the lack of will to implement the programmes, in terms of adequate resources, there was poor coordination within the United Nations system. The panellists therefore welcomed the United Nations System-wide Special Initiative on Africa in the hope that it would improve coordination. They warned, however, that it should not replace the United Nations New Agenda for the Development of Africa in the 1990s but be a catalyst, facilitating its implementation.

9. Issues regarding UNCTAD's role included: (a) the specifics on UNCTAD's contribution to the Special Initiative on Africa on trade and market access; and (b) whether UNCTAD should play a lead agency role in investment, which is part of the Special Initiative.

10. The panellists also noted activities which individual donor Governments had carried out in Africa. Since the first Tokyo international conference on African development, the Japanese Government had undertaken a number of activities as a follow-up, including: the Asia/Africa forum (Bangdung, Indonesia, December 1994); the regional workshop for Eastern and Southern Africa on the operationalization of the Tokyo Declaration (Harare, July 1995); and the expert group meeting on public finance, private sector development, trade, agriculture, human resources development and infrastructure development (Seychelles, December 1995). A number of other initiatives by the Government of Japan were cited.

11. In the post-Uruguay Round period, Africa should wait for the implementation of the commitments made in its favour. Hence, the question of investment negotiations was premature. UNCTAD was the only international organization of universal membership capable of studying the multidimensional issues, holding

informed discussions and contributing to the quality of such discussions. That was a natural way of maturing such issues before going into any negotiations.

12. Finally, the panellists paid tribute to Norway and Japan for their efforts to aid and support Africa.

E. Review of technical cooperation activities of UNCTAD

Agreed conclusions 437 (XLIII): Technical cooperation activities*

The Trade and Development Board agreed:

(i) To request the Secretary-General of UNCTAD to finalize the strategy and plan for technical cooperation before the end of 1996, in consultation with member States, on the basis of the relevant Midrand decisions and the proposals in his report (TD/B/43/7) and comments thereon, taking into account also the views of member States on trends in, and the content of, UNCTAD's 1995 technical cooperation programme provided through the above-mentioned consultative process;

(ii) To set out the strategy and to consider the plan for 1997 and the subsequent two years at the executive session of the Board early in 1997;

(iii) To invite contributions to the proposed UNCTAD trust fund for least developed countries;

(iv) To welcome the consultations between the Secretary-General of UNCTAD and the Administrator of the United Nations Development Programme (UNDP) on issues relating to trade and investment, particularly in the light of the objectives of sustainable human development in UNDP-financed programmes, and to request the Secretary-General to inform the Board periodically of progress in those consultations;

(v) To request the Secretary-General of UNCTAD, in implementation of paragraph 99 of "A Partnership for Growth and Development" (see A/51/308), to review existing cooperation arrangements and to conclude, whenever appropriate, formal arrangements such as memoranda of understanding with other relevant international organizations (those arrangements should be transparent, discussed with member States and address the possible establishment of inter-agency task forces); and to welcome the integrated programme for Africa launched by UNCTAD, World Trade Organization and International Trade Centre and propose that an evaluation of the implementation of that programme be undertaken.

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* Originally circulated in TD/B/43/SC.2/L.2, section B.

Summary by the Chairman of Sessional Committee II*

1. Delegations had a wide-ranging and useful discussion on the subject of UNCTAD's technical cooperation. The constructive exchange of views among beneficiary and donor countries, which looked at past trends and future prospects in light of the outcome of UNCTAD IX on technical cooperation, took place on the basis of the documentation prepared by the secretariat (TD/B/43/7 and statistical annex).

2. There was a widely shared view of the need to implement expeditiously the provisions set out at Midrand on technical cooperation. The secretariat was requested to prepare as quickly as possible the draft strategy for coherence between regular and extrabudgetary programmes and the rolling three-year plan for technical cooperation, for consideration and adoption by the Board early in 1997, on the basis of the comments of delegations and the proposals of the Secretary-General of UNCTAD. The plan for 1997 should be available before the end of 1996.

3. It was also felt that UNCTAD needed a more focused technical cooperation programme based on its work programme priorities and the areas set out in paragraph 97 of the final document of the ninth session of the United Nations Conference on Trade and Development (see A/51/308). It was pointed out that this would need to be based on requests of beneficiary countries. There was also agreement that the strategy and plan should reflect a focusing of technical cooperation on action-orientated activities that made a practical contribution to development at the country or regional level.

4. The Sessional Committee also took note of trends in the mobilization and utilization of resources. It welcomed the increase in contributions to UNCTAD's technical cooperation trust funds from bilateral and other sources, which should continue to be mobilized in a manner consistent with UNCTAD priorities.

5. Concern was expressed at the absolute and proportionate decline in technical assistance activities in least developed countries, in contrast to the priorities agreed on at Midrand. In recalling the outcome of Midrand, there was agreement that countries in greatest need, particularly countries in Africa and least developed countries, should receive priority in the assistance provided by UNCTAD and that that priority should be fully reflected in the strategy and triennial plan for technical cooperation.

6. The establishment of an UNCTAD trust fund for the least developed countries, which was seen as a positive instrument in giving effect to the policy of the ninth session of the United Nations Conference on Trade and Development of giving priority to those countries - should also be included in the strategy and plan. Some countries indicated their willingness to consider favourably contributions to the fund. The establishment of such a fund should not affect the secretariat's efforts to focus priority on least developed countries in other UNCTAD technical cooperation activities undertaken outside the fund. Delegations looked forward to the planned consultations with the Secretary-General of UNCTAD on the matter.

7. The spokespersons for the Latin American and Caribbean, African and Asian Groups stressed their concern that the recent increase in UNCTAD's technical cooperation activities in Central and Eastern Europe might have been to the detriment of UNCTAD programmes in developing countries and might have hindered

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* Originally circulated in TD/B/43/SC.2/L.2, section A.

the orientation and capacity of the secretariat in backstopping such programmes. All delegations underlined the importance of planning and implementing UNCTAD's technical cooperation programme according to the provisions of paragraph 95 of "A Partnership for Growth and Development" (ibid.).

8. Representatives of transition economies attached great importance to UNCTAD's technical cooperation activities in their region and agreed that those programmes should not jeopardize UNCTAD's operational work in support of developing countries.

9. There was a strong emphasis on monitoring and evaluation as an important element in improving the effectiveness of technical cooperation and in focusing activities on results and impact. The view was held that evaluation was needed so that the lessons of experience could be incorporated at the design stage.

10. Several technical cooperation programmes identified in the final document of the ninth session of the United Nations Conference on Trade and Development were mentioned as providing high-quality advice and support to beneficiary countries. The need for assistance in the post-Uruguay Round environment was mentioned in particular, including new and emerging issues, competition law and investment. Some delegations insisted on the need for technical cooperation in the area of trade with those countries not members of WTO, including assistance to countries in the process of accession to WTO. Other programmes commended by delegations included: debt management, the entrepreneurship development programme (EMPRETEC-21), subregional and regional cooperation, TRAINFORTRADE and trade efficiency, including the Automated System for Customs Data (ASYCUDA) and the Global Trade Point Network. Some delegations requested more technical cooperation for the commodity sector in light of its significance for a number of developing countries, particularly least developed countries.

11. There was support from several countries for the proposal to invite countries using UNCTAD's software - namely, the Advance Cargo Information System (ACIS), the Automated System for Customs Data (ASYCUDA) and the Debt Management and Financial Analysis System (DMFAS) - to contribute to the costs incurred in providing a regular maintenance and back-up service, on the understanding that the level of such "user charges" would need to reflect capacity to pay. Other countries, however, felt that the proposal needed further study before it could be introduced. The request was made to exempt least developed countries from such user charges. Some donor countries suggested the further development of the concept of cost-sharing in the financing of UNCTAD's technical cooperation programme.

12. The Sessional Committee welcomed the growing collaboration with other organizations in the preparation and implementation of joint technical cooperation programmes. Particular mention was made of the integrated ITC/UNCTAD/WTO programme of technical cooperation for the development of Africa's trade in the post-Uruguay Round environment as an example of the benefits of inter-agency collaboration. The need for an evaluation of the implementation of that programme was emphasized. The importance of cooperation with the United Nations Industrial Development Organization (UNIDO) in the areas of investment and enterprise development was also mentioned.

13. Concern was expressed regarding the steep decline in the availability of UNDP resources for trade and investment technical cooperation projects executed by UNCTAD. Delegations expressed the view that technical cooperation for trade and investment could advance the objectives of sustainable human development. To this effect, closer cooperation between UNCTAD and UNDP would be beneficial

in enabling UNCTAD to advance the objectives set out at Midrand. Delegations welcomed the resumption of a more active dialogue between UNDP and UNCTAD on this matter. It was also pointed out that beneficiary countries could include requests for technical cooperation in the area of trade and investment in their national programmes financed by external donors, including UNDP.

F. Matters requiring action by the Board in follow-up to the ninth session of the United Nations Conference on Trade and Development and arising from or related to reports and activities of its subsidiary and other bodies

1. Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development

At its 881st (closing) meeting, on 18 October 1996, the Trade and Development Board, in the light of the oral report by the Chairman of Sessional Committee II and following approval by the Bureau of the Board, decided to postpone consideration of agenda item 7 (a) until the next regular session of the Board.

2. Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation

Agreed conclusions 438 (XLIII): Participation of developing countries' experts*

1. The Trade and Development Board had an exchange of views on the question of improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation. The discussion included the issues set out in TD/B/43/CRP.3. There was general agreement that the expert meetings called for by "A Partnership for Growth and Development" needed the active participation of experts from every interested region in order to benefit from a higher level of technical expertise. It was recognized that the costs involved might cause problems to developing countries, in particular to the least developed among them, and that measures needed to be taken to facilitate the participation of developing country experts, including by providing a predictable and stable funding basis.

2. The options provided in TD/B/43/CRP.3 were reviewed in the course of the discussion. Delegations agreed that many questions still needed to be clarified, including the issues of long-term funding and the possible use of the regular budget for this purpose. It was agreed, however, to take a number of measures immediately, on a provisional basis, in order to give effect to the decisions taken at Midrand. It was also felt necessary to gain some experience with the operation of the new intergovernmental machinery before taking any long-term decisions on this matter.

3. As a concrete measure on a trial basis, the Board agreed:

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* Originally circulated in TD/B/43/SC.2/L.4. In adopting these agreed conclusions, the Board agreed to annex to them the statement of position made by the representative of the United States of America.

(a) To request the Secretary-General of UNCTAD to establish, subsequent to consultations with member States, a trust fund, the purpose of which is to enhance the participation of developing country experts in UNCTAD meetings. The meetings referred to are those described in paragraph 114 of "A Partnership for Growth and Development" (see A/51/308), which also states specifically that: "Experts should be nominated by Governments, should have proven experience and would serve expert meetings in their personal capacities." The Secretary-General should base his decisions regarding the enhancement of the participation of developing country experts on the principle of equitable geographical representation and beneficiary needs;

(b) To request the Secretary-General of UnCTAD to start the fund-raising process and the activities of the trust fund as soon as possible;

(c) To request the Secretary-General of UNCTAD to explore avenues to increase participation of developing country experts in addition to financing travel and per diem costs. In particular, recourse to modern methods of communication should be borne in mind;

(d) To request the Secretary-General of UnCTAD to consider also the possibility of enhancing the participation of developing country experts through the judicious use of his prerogative to invite experts contributing to the work of the secretariat and enable them to participate also in expert meetings;

(e) To request the Secretary-General of UNCTAD to present to the Board as soon as possible a report on the decision taken at Midrand that: "With a view to strengthening the capabilities of UNCTAD, including technical cooperation, ways and means should be explored within the existing financial rules and regulations of the United Nations to reallocate a part of the savings resulting from improved overall cost-effectiveness" (ibid., para. 103);

(f) To assess, at its next regular session, after adequate preparations, the effectiveness of these measures and their impact on improving developing country expert participation, on the basis of a report prepared by the Secretary-General of UNCTAD in this regard;

(g) To decide, at its next regular session, in the light of the above assessment and the financial situation of the fund, whether or not to pursue elements of the first option outlined in TD/B/43/CRP.3.

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Annex

Statement by the United States of America

1. We appreciate the efforts of the Chairman of Sessional Committee II during the past two weeks to help delegations reach accommodation on the issues before us. The United States delegation has been an active participant in each meeting and we are largely supportive of the outcomes.

2. My delegation regrets that, while the United States endorses the establishment of a trust fund under the Secretary-General of UNCTAD, the purpose of which is to enhance the participation of developing country experts in the work of UNCTAD, the United States is unable to join the consensus on the output

of the contact meeting on expert funding. Accordingly, my delegation requests that these comments be annexed directly to the final agreed conclusions of the contact group on expert funding, now and in any output of this session of the Board.

3. As many of you know, we were close to resolution of many points on a forward-looking proposal, based on the Chairman's own original draft, when a new shorter package was introduced which would devolve to the Secretary-General of UNCTAD the responsibility and authority to frame and carry out a trust fund to enhance broadly the participation of experts in the work of UNCTAD. We expressed the view that, while the brevity of the new package was desirable, the new package was unbalanced.

4. My delegation made the point at the time of this proposal's introduction that we needed either to maintain the extensive detail of the then nearly complete first effort, which would include all member States' perspectives, or to strip the newly introduced package to its bare essentials, namely that we call upon the Secretary-General of UNCTAD to establish a trust fund, the purpose of which is to improve the participation of experts in UNCTAD's work.

5. Unfortunately, despite my delegation's best efforts, we have ended up with a mongrel paper that includes elements favoured by some delegations, but leaves out the elements of prioritization, maximization of resources, cost sharing, and other elements that are absolutely critical for my delegation. Some of those elements found agreement in the first version, but delegations subsequently declined to allow their inclusion in the final document. The absence of those critical elements renders the overall content of paragraphs that contain some valuable elements contrary to my delegation's strongly held and long-established views on the overall expert participation issue. Other wording, left unbalanced by those deficiencies, wrongly suggests a preordained outcome of the trial project process that we cannot accept.

6. Specifically, we cannot join the consensus on the last clause of paragraph 1 of the agreed conclusions, which indicates the "need" for UNCTAD to provide a "predictable and stable funding basis". Such a statement clearly points exclusively to the one-dimensional answer of a regular budget line item, the only truly stable and predictable funding source, but a solution that my delegation will strongly oppose. This could have been resolved by the subsequent inclusion of several modalities requested by the United States for the trust fund, but other delegations were unwilling to incorporate them in the final draft. Accordingly the clause beginning with "including by ..." should be eliminated.

7. In paragraph 2, second sentence, the text includes only two references, both of which focus on the use of regular budget resources as the answer to expert participation questions. Again, this is a one-dimensional statement that points to an unacceptable, preordained outcome to the trial trust fund project.

8. Paragraph 3 (a), last sentence, again points, through its reference to "equitable geographical representation", exclusively to the funding of expert travel as the solution to expert participation issues. The words "inter alia" need to be inserted following the word "experts" in that sentence.

9. Paragraph 3 (c) extends this one-dimensional focus to the specifics of travel and per diem, presupposing both funding, and its extension to all elements of travel costs, rather than on the cost-sharing basis proposed by the United States. Further, the paragraph minimizes the many other non-travel-

related options available for enhancing expert participation in UNCTAD's work. The complete paragraph should be redesignated as paragraph 3 (b) and amended as follows: "To request the Secretary-General to also explore other avenues to increase developing country expert participation, including recourse to modern methods of communications."

10. Finally, the last clause of paragraph 3 (g) again presupposes a one-dimensional solution outlined as the first option of the relevant conference room paper. That option is unacceptable on several grounds, foremost of which is its reliance on regular budget funding. The final clause of this paragraph should be amended to read "whether or not to pursue other options, including elements of the options outlined in TD/B/43/CRP.3".

11. As we have made clear from the beginning of this Board, the United States supports the establishment of a trust fund, the purpose of which is to enhance the participation of experts in UNCTAD's work, i.e. the element contained in the first half of paragraph 3 (a) of the agreed conclusions. We cannot, however, join in consensus on other points representing either background to this issue, opinions identified as those of the entire contact group, suggested modalities, or options for future consideration.

12. We note that the present paragraph 3 (a) calls for the Secretary-General of UNCTAD to establish the trust fund subsequent to consultations with member States. We look forward to making known to the Secretary-General our views on the appropriate construction of a trust fund and its appropriate, prioritized uses for establishment of technical, procedural and other mechanisms to enhance the participation of experts throughout the UNCTAD machinery.

G. Other matters in the field of trade and development

1. Progressive development of the law of international trade: report of the United Nations Commission on International Trade Law

1. For its consideration of sub-item 8 (a), the Board had before it the report of the United Nations Commission on International Trade Law on the work of its twenty-ninth session,[4] held in New York from 28 May to 14 June 1996, which had been circulated to the Board under cover of a note by the UNCTAD secretariat (TD/B/43/3).

2. At its 880th meeting, on 16 October 1996, the Board took note of the report of the United Nations Commission on International Trade Law on the work of its twenty-ninth session.

2. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO

3. For its consideration of sub-item 8 (b), the Board had before it the report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its twenty-ninth session, held in Geneva from 15 to 19 April 1996 (ITC/AG(XXIX)/157), which had been circulated to the Board under cover of a note by the UNCTAD secretariat (TD/B/43/4).

4. Introducing the report, the Vice-Chairman of the Joint Advisory Group (Uruguay) stated that the Group had vigorously reaffirmed the relevance and importance of the mandate of the International Trade Centre (ITC) in today's

trade environment and fully supported the Executive Director's continuing efforts to improve the efficiency of the organization, particularly through institutional reform and closer relations with its parent bodies. Appreciation had been expressed for ITC's technical cooperation activities in 1995, which were judged to be pragmatic, result-oriented and responding to the countries' needs and potential for trade promotion and export development. The Group had also welcomed ITC's initiative to develop a mission statement, and expressed its full support for the formulation of ITC's strategy, core services, values and modus operandi. It had also noted ITC's contribution to the United Nations medium-term plan for the period 1998-2001. Recalling the Group's endorsement at its twenty-eighth session of the proposal for setting up a global trust fund, it expressed its satisfaction at the establishment of the Global Trust Fund and the effective functioning of its Consultative Committee.

5. Finally, he reported that, as was the practice each year, Government representatives had announced, at the twenty-ninth session, confirmed or possible voluntary contributions to ITC. On behalf of the Group, he expressed gratitude to the Governments of Canada, China, Denmark, Finland, Germany, India, Japan, Netherlands, Norway, Sweden and Switzerland for that support.

6. At its 880th meeting, on 16 October 1996, the Board took note of the report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its twenty-ninth session (ITC/AG(XXIX)/157).

H. Other business

1. Review of UNCTAD's publication policy

Agreed conclusions 439 (XLIII): UNCTAD's publication policy*

1. The Trade and Development Board agreed that its discussion was the beginning of a process in the implementation of the decisions taken at Midrand and that the main purpose of the review of UNCTAD's publication policy was to increase the quality and impact of UNCTAD publications and to make the best possible use of existing resources.

2. The Board endorsed the approach set out in TD/B/43/CRP.4, under which the Secretary-General of UNCTAD would review the report of the secretariat task force on publications, to be completed by March 1997, and subsequently report to the Board. The Secretary-General of UNCTAD was requested to make a progress report to the Board at its next executive session.

3. On the basis of its discussion, the Board agreed to request the Secretary-General of UNCTAD to ensure that, in its review, the secretariat task force take into account the following factors:

(a) The need to develop a coherent communication and information policy and to improve marketing and distribution;

(b) The need to make the best possible use of modern communications technology, such as expanded use of electronic dissemination, expanding UNCTAD's presence on the Internet, and using Internet for inter-expert consultation and the review of documentation, as well as for communication with Geneva-based

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* Originally circulated in TD/B/43/SC.2/L.3, section B.

missions. At the same time, the situation of those developing countries that do not yet have access to that technology needed to be taken care of;

(c) The need to develop suitable criteria for measuring feedback, including the regular checking of mailing lists, reader response, sales figures and a systematic review of media coverage;

(d) The ongoing need for detailed data on work months, print runs, printing costs, place of printing, and distributed copies, both free of charge and sold, for all recurrent publications; information for 1996 would be made available at the resumed twenty-eighth session of the Working Party on the Medium-term Plan and the Programme Budget, and detailed estimates for subsequent years would be made available to the Working Party at the first meeting of its twenty-ninth session and in the progress report mentioned in paragraph 2 above;

(e) In the interest of making the best possible use of resources, the feasibility of printing and translating externally, including in developing countries, whenever it is economically viable;

(f) The availability and the need for timely distribution of documents in all the official languages of the United Nations as well as the quality of translations, taking into account that availability of publications in those languages is a very important factor in maximizing dissemination and impact.

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Summary by the Chairman of Sessional Committee II*

1. Sessional Committee II had an extensive discussion on the basis of the secretariat document on the review of UNCTAD's publication policy (TD/B/43/CRP.4). It was noted that the discussion was taking place in the context of three parallel processes affecting UNCTAD:

(a) The review of publications agreed on at the ninth session of the United Nations Conference on Trade and Development and currently being carried out by the Trade and Development Board;

(b) The ongoing review by the General Assembly of the United Nations-wide publications policy;

(c) The review by the task force set up by the Secretary-General of UNCTAD as part of the efficiency review being conducted throughout the United Nations.[5]

2. There was general agreement that the review should be considered in the broader context of improving UNCTAD's overall communication and information policy. Delegations held the view that the initiative of the Secretary-General of UNCTAD in setting up a task force on publications as part of the efficiency review should provide a useful basis for the finalization of that process. They recognized the generally high quality of UNCTAD publications.

3. Proposals raised in the Committee by individual delegations or spokespersons for different groups included steps to increase the sales portion of distribution, taking into account the sales price and cost of specific

* Originally circulated in TD/B/43/SC.2/L.3, section A.

publications in relation to that of similar publications; cooperation with other international organizations in the gathering of statistics; the feasibility of using environment-friendly raw materials and production processes based on a cost-benefit analysis; and the elimination of content overlapping through streamlining of UNCTAD publications.

4. Some delegations held the view that greater efforts needed to be made by the Board in prioritizing and rationalizing UNCTAD's publication programme. They suggested that the secretariat should play a proactive role in a priority-setting exercise. However, other delegations felt that the priorities should be set by member States in the various intergovernmental bodies responsible for the substance dealt with in the relevant publications and that prioritization in publications might not be necessary or practical.

2. Issue of coordination and cooperation between UNCTAD and relevant international organizations

At its 881st (closing) meeting, on 18 October 1996, the Trade and Development Board took note of the oral report of the Chairman of Sessional Committee II on the issue of coordination and cooperation between UNCTAD and relevant international organizations (sub-item 10 (b)) and decided that the secretariat should circulate immediately the document it had been requested to prepare on the issue for consideration at consultations to be held in the Bureau of the Board. The Secretary-General of UNCTAD was requested to place the item on the agenda of the executive session of the Board.

II. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

1. The forty-third session of the Trade and Development Board was opened on 7 October 1996 by Mr. William Rossier (Switzerland), the outgoing President of the Board.

B. Election of officers*

2. At its 875th (opening) plenary meeting, on 7 October 1996, the Board elected by acclamation Mr. Patrick Sinyinza (Zambia) to act as President of the Board for the duration of its forty-third session.

3. Also at its opening meeting, the Board completed the election of officers to serve on the Bureau of the Board throughout its forty-third session by electing 10 Vice-Presidents and the Rapporteur. The elected Bureau was as follows:

President: Mr. Patrick Sinyinza (Zambia)

Vice-Presidents: Mr. Anton Bebler (Slovenia)
Mr. Krit Garnjana-Goonchorn (Thailand)
Mrs. Arundhati Ghose (India)
Mr. Peter R. Jenkins (United Kingdom)
Mr. Andrei Kolossovsky (Russian Federation)
Mr. Alexander A. Kravetz (El Salvador)
Mr. Björn Skogmo (Norway)
Mr. Daniel L. Spiegel (United States of America)
Mr. Fisseha Yimer Aboye (Ethiopia)
Mr. Jun Yokota (Japan)

Rapporteur: Mrs. Violeta Fonseca de Sanabria (Venezuela)

4. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairmen of the Sessional Committees, would be fully associated with the work of the Bureau.

C. Adoption of the agenda and organization of the work of the session

5. At its 875th (opening) meeting, on 7 October 1996, the Board adopted the annotated provisional agenda for the session contained in TD/B/43/1 and Add.1 (see annex I).

6. At the same meeting, in accordance with the organization of work for the session in TD/B/43/1/Add.2, the Board established two sessional committees to consider and report on items on its agenda, as follows:

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* The officers of the Bureau were elected to serve for the year-long period beginning with the forty-third session of the Board.

Sessional Committee I

Item 4: Programme of Action for the Least Developed Countries for the 1990s:

(a) Review of implementation of the Programme of Action for the Least Developed Countries for the 1990s;

(b) UNCTAD's contribution to the work of relevant international organizations in the implementation of the Uruguay Round Final Act Decision on Measures in Favour of the Least Developed Countries by assisting the least developed countries that are members of the World Trade Organization to take maximum advantage of the special and differential measures provided for in the Uruguay Round agreements

Item 5: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Special Initiative on Africa

Sessional Committee II

Item 6: Review of technical cooperation activities of UNCTAD

Item 7: Matters requiring action by the Board in follow-up to the ninth session of the United Nations Conference on Trade and Development and arising from or related to reports and activities of its subsidiary and other bodies:

(a) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development (see also para. 9 below);

(b) Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation

Item 10: Other business:

(a) Review of UNCTAD's publication policy;

(b) Issue of coordination and cooperation between UNCTAD and relevant international organizations

Sessional Committee I

7. At its 1st meeting, Sessional Committee I elected the following officers to serve on its Bureau:

Chairman: Mr. Bozorgmehr Ziaran (Islamic Republic of Iran)

Vice-Chairman-cum-Rapporteur: Mr. Rénald Clérismé (Haiti)

Sessional Committee II

8. At its 1st meeting, Sessional Committee II elected the following officers to serve on its Bureau:

Chairman: Mr. Markus Kummer (Switzerland)

Vice-Chairman-cum-Rapporteur: Mr. Petko Baev (Bulgaria)

9. At the same meeting, Sessional Committee II, acting upon the recommendation made by the Bureau of the Board at its pre-sessional meeting on 4 October 1996, agreed that consideration of agenda item 7 (a) should be postponed until a later date in order to allow for adequate preparation of the item by the secretariat.*

10. At its 881st (closing) meeting, on 18 October 1996, the Board took note of the reports of Sessional Committee I (TD/B/43/SC.1/L.1 and Add.1-2) and Sessional Committee II (TD/B/43/SC.2/L.1 and Add.1) and decided to incorporate them in the final report of the Board on its forty-third session.

D. Adoption of the report on credentials

11. At its 881st (closing) meeting, on 18 October 1996, the Board adopted the report of the Bureau on the credentials of representatives attending the forty-third session of the Board (TD/B/43/10).

E. Provisional agenda for the forty-fourth session of the Board

12. At its 881st (closing) meeting, on 18 October 1996, the Board, acting in the light of the President's consultations with the Secretary-General of UNCTAD on the provisional agenda for the forty-fourth session of the Board, and given that that session would be held in one year's time, authorized the President of the Board, in consultation with the Secretary-General of UNCTAD, to draw up a draft provisional agenda for the forty-fourth session in the course of the year and present it to the Bureau. The draft would then be submitted to the next executive session of the Board for approval, in the first quarter of 1997.

F. Institutional, organizational, administrative and related matters

1. Review of the lists of States annexed to General Assembly resolution 1995 (XIX)

13. At its 881st (closing) meeting, on 18 October 1996, the Board noted that the Secretary-General of UNCTAD had received a communication from Lithuania indicating its wish to be placed in List D and that, after consultations, Lithuania had now been included in List D.

14. The Board also noted that, the President of the Board having received a request for adjustment to the Lists by Hungary from List D to List B, consultations were currently in progress on the request and the results would be before the Board at a future executive or regular session.

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* For the Board's action on this recommendation, see Chapter I.F above.

2. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

15. At its 880th meeting, on 16 October 1996, the Board noted that there were no new applications from intergovernmental organizations. The Board noted that, following the entry into force of the Grains Trade Convention, the International Wheat Council, which had been granted status by the Board at its second session, had changed its name to the International Grains Council.

3. Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

16. At the same meeting, the Board approved the applications of seven non-governmental organizations for designation under rule 77 of the rules of procedure of the Board, and decided, in accordance with the recommendations of the Secretary-General of UNCTAD (TD/B/43/R.1) and of the Bureau, to classify them in accordance with paragraphs 12 (a) and (b) of Board decision 43 (VII) as follows:

General category: World Wide Fund for Nature, International Council on Social Welfare, World Vision International, World Trade Centers Association, Institute for Scientific Cooperation with Developing Countries and Global Traders Conference (TD/B/43/R.1/Add.2-7).

Special category: European Sea Ports Organisation, so that it may participate in the work of the Commission on Enterprise, Business Facilitation and Development (TD/B/43/R.1/Add.1).

17. The Board was informed that the above documents had been derestricted.

18. The Board also noted that, following consultation with the member State concerned (Belgium), the Secretary-General of UNCTAD had included the National Centre for Overseas Development in the Register of national non-governmental organizations provided for under Board decision 43 (VII), sections III and IV. Background information on the organization was before the Board in TD/B/43/L.1.

19. The Board further noted that, in order to bring the classification of non-governmental organizations in the special category into line with the new intergovernmental machinery of UNCTAD, the Secretary-General of UNCTAD would carry out consultations with the organizations concerned to ascertain their wishes regarding their future association with UNCTAD, including their participation in the work of the new Commissions, and would report to the Board at an executive session.

20. The Board also noted that the Economic and Social Council, at its 1996 session, had adopted resolution 1996/31 entitled "Consultative relationship between the United Nations and non-governmental organizations", which updated the arrangements on consultative relations with non-governmental organizations set out in Economic and Social Council resolution 1296 (XLIV) of 23 May 1968. In view of this, the Board further noted that the UNCTAD secretariat would review the arrangements for the participation of non-governmental organizations in the activities of UNCTAD, as contained in Board decision 43 (VII) of 20 September 1968, and would report to the Board at an executive session.

21. The Board further noted that the following non-governmental organizations had changed their names:

(a) The Coordination Committee for the Textile Industries in the European Community, which had been granted status in the special category by the Board at the first part of its twelfth session, was now the European Apparel and Textile Organization, incorporating the European Largest Textile and Apparel Companies and the European Clothing Association.

(b) The Miners' International Federation, which had been granted status in the special category by the Board at its thirteenth session, had merged with the International Federation of Chemical, Energy and General Workers' Unions and was now the International Federation of Chemical, Energy, Mine and General Workers' Unions.

(c) The European Association for the Trade in Jute Projects, which had been granted status in the special category by the Board at the first part of its tenth session, was now the European Association for the Trade in Jute and Related Products.

(d) The Association of West European Shipbuilders, which had been granted status in the special category at the first part of the thirty-fourth session of the Board, had changed its name to Association of European Shipbuilders and Shiprepairers.

4. Review of the calendar of meetings

22. At its 881st (closing) meeting, on 18 October 1996, the Board approved the calendar of meetings for the remainder of 1996 and took note, for planning purposes, of the draft indicative calendar of meetings for 1997, as contained in TD/B/43/CRP.2. It authorized the Bureau to make any necessary adjustments in the light of developments.

5. Administrative and financial implications of the actions of the Board

23. At the same meeting, the Board noted that there were no financial implications stemming from any decision taken at the forty-third session of the Board.

G. Adoption of the report of the Board on its forty-third session

24. At its 881st (closing) meeting, on 18 October 1996, the Board adopted the draft report on its forty-third session (TD/B/43/L.2 and Add.1-3), subject to any amendments that delegations might wish to make to the summary of their statements. In accordance with established practice, the Board authorized the Rapporteur to complete the final report as appropriate and, under the authority of the President, to prepare the report of the Trade and Development Board to the General Assembly.

Notes

[1] United Nations publication, Sales No. E.96.II.D.6.

[2] United Nations publication, Sales No. E.96.II.D.3.

[3] Human Development Report 1996. Published for the United Nations Development Programme (UNDP) (New York, Oxford University Press, 1996).

[4] Official Records of the General Assembly, Fifty-first Session, Supplement No. 17 (A/51/17).

[5] Terms of reference are contained in UN 21. Progress Report of the Efficiency Board to the Secretary-General (United Nations publication, Sales No. E.96.I.28).

ANNEX I

Agenda of the forty-third session of the Board

1. Procedural matters:

   (a) Election of officers

   (b) Adoption of the agenda and organization of the work of the session

   (c) Adoption of the report on credentials

   (d) Provisional agenda for the forty-fourth session of the Board

2. Segment for high-level participation; substantive policy item: foreign direct investment and development in a globalizing world economy

3. Interdependence and global economic issues from a trade and development perspective: rethinking development strategies; some lessons from East Asian development experience

4. Programme of Action for the Least Developed Countries for the 1990s:

   (a) Review of the implementation of the Programme of Action for the Least Developed Countries for the 1990s;

   (b) UNCTAD's contribution to the work of relevant international organizations in the implementation of the Uruguay Round Final Act Decision on Measures in Favour of the Least Developed Countries by assisting the least developed countries that are members of the World Trade Organization to take maximum advantage of the special and differential measures provided for in the Uruguay Round agreements

5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Special Initiative on Africa

6. Review of technical cooperation activities of UNCTAD

7. Matters requiring action by the Board in follow-up to the ninth session of the United Nations Conference on Trade and Development and arising from or related to reports and activities of its subsidiary and other bodies:

   (a) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development;

   (b) Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation

8. Other matters in the field of trade and development:

   (a) Progressive development of the law of international trade: twenty-ninth annual report of the United Nations Commission on International Trade Law;

(b) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its twenty-ninth session

9. Institutional, organizational, administrative and related matters:

(a) Review of the lists of States annexed to General Assembly resolution 1995 (XIX);

(b) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

(c) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;

(d) Review of the calendar of meetings;

(e) Administrative and financial implications of the actions of the Board

10. Other business

11. Adoption of the report of the Board on its forty-third session

ANNEX II

Membership and attendance*

1. The following States members of UNCTAD, members of the Board, were represented at the forty-third session:

Afghanistan
Algeria
Angola
Argentina
Australia
Austria
Bahrain
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Cameroon
Canada
Chile
China
Colombia
Congo
Costa Rica
Croatia
Cuba
Cyprus
Czech Republic
Democratic People's Republic of Korea
Denmark
Dominica
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Germany
Ghana
Greece
Guatemala
Haiti
Honduras
Hungary
Iceland
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Lebanon
Libyan Arab Jamahiriya
Lithuania
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Nepal
Netherlands
Nicaragua
Nigeria
Norway
Oman
Pakistan
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Senegal
Sierra Leone
Singapore
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sudan
Sweden

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* For the list of participants, see TD/B/43/INF.2.

Switzerland
Syrian Arab Republic
Thailand
The former Yugoslav
Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain
and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Viet Nam
Yemen
Zambia
Zimbabwe

2. The following members of UNCTAD, not members of the Board, were represented as observers at the session:

Estonia
Kazakhstan
Holy See

3. The Economic Commission for Europe and the International Trade Centre UNCTAD/WTO were represented at the session.

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organization
International Monetary Fund
International Telecommunication Union
United Nations Industrial Development Organization
World Trade Organization

5. The following intergovernmental organizations were represented at the session:

Agency for Cultural and Technical Cooperation
Arab Labour Organization
Arab Maghreb Union
Caribbean Community
Common Fund for Commodities
European Community
European Free Trade Association
Organisation for Economic Cooperation and Development
Organization of African Unity

6. The following non-governmental organizations were represented at the session:

General Category

Friends World Committee for Consultation (Quakers)
International Bar Association
International Chamber of Commerce
International Confederation of Free Trade Unions

International Council of Environmental Law
Third World Network
World Association for Small and Medium Enterprises
World Federation of United Nations Associations

Special Category

Airline Telecommunication and Informative Services
Consumers International